Kotak Securities Limited
Annual Report 2019-20

Directors' Report

To
the Members of
Kotak Securities Limited

Your Directors are pleased to present the 26th Annual Report together with the Audited Accounts for the year ended 31st March 2020.

FINANCIAL HIGHLIGHTS

(Amount in ₹ Lakhs)

Particulars	Standalone	
	As on 31-Mar-20	As on 31-Mar-19
Total Income	185,174.33	172,557.38
Profit/ (Loss) before Interest, Tax and Depreciation	89,992.70	78,127.75
Finance Cost	13,439.41	12,620.02
Profit/ (Loss) before Depreciation and Tax	76,553.29	65,507.73
Depreciation	3,922.24	2,265.78
Profit/ (Loss) before Tax	72,631.05	63,241.95
Tax Expense (including deferred tax credit)	19,122.71	22,482.38
Net Profit/ (Loss)	53,508.34	40,759.57
Other Comprehensive Income	897.07	-484.27
Total Comprehensive Income	54,405.41	40,275.3
Balance carried to Balance Sheet	54,405.41	40,275.3
Earning Per Share (Basic & Diluted) (Amount in ₹)	3344.27	2547.47

DIVIDEND

In order to further consolidate your company's position, your Board proposes to employ the surplus resources to augment capital requirements, and does not recommend a dividend for the financial year 2019-2020 (hereinafter referred to as 'current financial year').

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2020 is Rs.1,60,00,000. During the year under review, the Company has not issued any shares.

SUBSIDIARY

- Kotak Mahindra Financial Services Limited (KMFSL)

ASSOCIATES

- Kotak Mahindra Prime Limited (KMPL)
- Kotak Infrastructure Debt Fund Limited (KIDFL)

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 (the Act)) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act).

Consolidated Financial Statements in terms of Section 129(3) of the Companies Act, 2013 are prepared consolidating Financial Statements of Subsidiaries and Associates in accordance with applicable Accounting Standards.

The performance of the subsidiary and each of the associates are presented in AOC 1 (enclosed herewith as Annexure A) which forms part of the Financial Statements.

FUTURE OUTLOOK

Markets

Financial year FY20 has been one of challenges and opportunities. The BSE Sensex and Nifty-50, both closed the financial year with fall of 29%. The spread of Covid-19 followed by lockdown led to sharp correction in the month of March where both BSE Sensex and Nifty-50 lost 23% in a single month. In line with the broader indices, the BSE Mid Cap & Small Cap Index also ended the financial year with losses of 29% & 30%, respectively. All the sectoral indices ended in red with Pharma and FMCG being the least impacted while Metals, Auto, Banking & Realty being the worst hit.

Indian markets performance was muted in the first half FY20 and a broader rally started only after the government cut corporate tax rates in Sep'19. Since Oct'19 the broader indices in India had managed to remain at elevated levels till the Covid-19 hit global and Indian markets in the month of Mar'20. Post the corporate tax rate cut mid & small caps saw catch up rally till the Union Budget on 31st Jan'20. FY20 saw healthy inflows from both FIIs and domestic institutions till the end of Feb'20. Against the FII inflows of USD 9 bn between Apr'19 & Feb'20 we saw them pulling out massive USD 7.9 bn in the single month of Mar'20. Domestic Institutional Investors remained buyers throughout FY20 with inflows of USD 17.9 bn, including mutual funds inflows of USD 12.4 bn.

After spending 68 days under lockdown Indian economy was opened in a broad way on 8th June 2020. Since most part of the economy was under lockdown in the first two months of FY21 it will impact earnings in a meaningful way. We have already seen a sharp cut in earnings estimates Nifty-50 for of FY21-22. We expect the economy and corporate earnings to gradually recover in 2HFY21 and broadly 'normalize' in FY22.

Global & Indian Economy

Covid-19 has created short term disruptions across the globe leading to a remarkable shift in global and domestic macro fundamentals. The world has dramatically changed in the last four months with output loss and impact on businesses far exceeding that seen post the Global Financial crisis of 2008. In past crisis governments and central banks used fiscal and monetary tools to stimulate demand but this time stimulus is going into protecting human lives and keeping businesses solvent.

Most likely the global economy will witness its worst ever recession since the great depression surpassing the decade old Global Financial crisis. It could also be the shortest recession if we go by recovery estimates projected for CY21 by most institutions. As per latest IMF report the global economy is expected to contract sharply by (-) 4.9% in CY20, much worse than during the 2008-09 financial crisis. The COVID-19 pandemic has had a more negative impact on activity in the first half of CY20 than anticipated, and the recovery is projected to be more gradual than previously forecast. In CY21 global growth is projected at 5.4 percent.

To absorb the acute shock that Covid-19 has created policymakers across the globe are implementing substantial targeted fiscal, monetary and financial market measures (to support households and businesses). Global fiscal support as in Jun'20 stands at USD 9 trillion. Direct budget support is estimated at USD 4.4 trillion globally and additional public sector loans and equity injections, guarantees, and other quasi-fiscal operations (such as non-commercial activity of public corporations) amount to another $4.6 trillion. If we add the measures taken by global Central Banks then the total support to fight Covid-19 goes up to USD 18 trillion. The total revenue and spending measures for G20 countries account for 4.5 percent of GDP on average, larger than those during the global financial crisis. This calendar year to date the balance sheet of G-4 Central Banks has already expanded by USD 5 trillion to USD 20 trillion.

In response to Covid-19, Indian government has announced a near Rs.21 trillion package (i.e. 10% of GDP) which includes Rs.13 trillion of fiscal benefits and Rs.8 trillion of RBI measures. India's stimulus is focused mostly on the supply side with a broad view of empowering the businesses rather than handing out fiscal benefits. The extended lockdown and gradual recovery will hit both the manufacturing and service sector in India. As per latest estimates of IMF, India's GDP is projected to contract by 4.5% in CY20 following a longer period of lockdown and slower recovery than anticipated in April. It expects Indian GDP to recover and grow by 6% in CY21.

The agriculture sector and government spending will be crucial for supporting economic activity in FY21E. While the impact of Covid-19 was visible in 4QFY20, it will peak in 1QFY21 along with some continued weakness through the year. We expect 1HFY21 CPI inflation to average 5% and 2HFY21 CPI inflation to average 2.7%.

AWARDS AND RECOGNITIONS

During the year, your company was adjudged the Best Broker for the year 2019 by FinanceAsia Country Awards, Best Brokerage house in the Institution segment for the year 2019 by Asiamoney. Your company also received the award for the Best Overall Research house for the year 2019 by Asiamoney.

OPERATIONS

The Sensex closed at 29,468 as on 31st March, 2020 compared to 38,673 as on 31st March, 2019, with a high of 42,273 and low of 25,638. Similarly, the benchmark Nifty which closed at 11,623 as on 31st March, 2019 closed at 8,598 as on 31st March, 2020 with a high of 12,430 and low of 7,511.

The financial year FY 2020 saw a Marginal volume growth in Cash Market where as the equity derivative segment continued its robust growth over FY 2019. Market average daily volumes (ADV) increased to ₹39,267 crore for FY 2020 from ₹35,180 crore for FY 2019 for the Cash Segment, and increased to ₹1,404,030 crore for FY 2020 from ₹958,067 crore for FY 2019 for Derivatives Segment. KS Average Daily Volumes in Cash Market has increased to ₹ 3,562 crore for FY 2020 from ₹ 3,210 crore for FY 2019. KS Average Daily Volumes in Derivative Market has decreased to ₹ 15,571 crore for FY 2020 from ₹ 22,994 crore for FY 2019. KS continued its focus on Cash Segment and maintained its market share at 9.1% in FY-2020 which is similar to 9.1% in FY 2019. Overall market share of KS decreased to 1.7% for FY 2020 compared to 2.6% for FY 2019.

RETAIL SEGMENT

With the help of digital account opening mobile app, your company continued to acquire large part of customers digitally resulting into addition of ~ 2.89 lakh customers for FY-2020. The mobile trading application provided by your company, with enhanced features and functionality continues to be a leader in the market. Trading volume through mobile app saw a growth of more than 128%.

Digital is the key focus. Your company is continuing to invest in digitizing different processes and operations. This includes digital acquisition and activation of accounts, automating different processes to avoid manual input, as well as upgrading existing tech infrastructure. There is also investment in enhancing the mobile trading application provided by your company as well as the website trading platform keeping in mind increased self-trading behavior.

The total outlets stood at 1,315 at the end of the financial year. The number of registered authorised persons stood at 1,735 for NSE and 1,370 for BSE.

Institutional Equities

Your company's Institutional Equities division gained market share in the cash segment and maintained its leadership position in both the cash equities and derivatives segments. Institutional market volumes for the cash segment showed a moderate growth during the year, whereas the derivatives segment volumes grew by more than 100% over the previous year. However, yields across the client segments continued to be under pressure. Your company maintained its leadership position in distribution of IPOs, QIPs and open offers and maintained its strong position in execution of block trades. Your company continued to invest in technology to upgrade its IT infrastructure with a special focus on developing new algorithms for better execution. The Institutional Equities Research team continues to be rated highly by institutional clients and further enhanced its leadership position through incisive research on companies, sectors and themes.

Primary Market

The activity in the primary market remain largely muted during the year. Due to sharp correction in the equity market during the year, the sentiment in the primary market remained negative keeping the fund raising by the companies at a very low level. In the current financial year, your Company was associated with the distribution of 14 Public Offer Issues, 27 Debt Public Offer Issues, 99 Buy backs, 25 Offers for Sale, 10 Gold linked bonds and 5 ETFs etc.

RISK MANAGEMENT

Your Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Company has identified following key business risks and has suitable risk mitigates in place:

Credit Risk:

Credit risk is the risk of margin erosion due to market volatility/fluctuations, failure of clients to meet their financial obligations.

Your company has in place, a widespread credit policy to monitor clients margin requirement to prevent risk of default which includes well defined basis for categorization of securities, client-wise/scrip-wise maximum exposure, segment-wise margin requirement, etc. for better management of credit risk.

Market Risk:

The risk of change in overall market or asset class due to the impact of economic conditions and/ or other factors impacting index, specific stocks. The value of investments are vulnerable to factors such as changes in economic conditions, interest rates, investor sentiments, developments in global markets, international and domestic political events and acts of war or terrorism.

VaR (value at risk) for proprietary trading is closely supervised by the Board and Board has defined maximum limits for VaR, exposure across various segments / trading strategies. Continuous monitoring of VaR, exposure limits and initiation of appropriate action is undertaken to minimize the impact of market risk.

Liquidity Risk:

Liquidity of funds are critical to our business. Liquidity risk is prospective risk of liquidity gap involving margins to be placed with Exchange and a firm's capability to meet margin requirement.
Your company has a strong financial position and the business is adequately capitalized and, appropriate credit lines are available to address liquidity risk. Daily monitoring of margin utilization (requirement) vis-à-vis margin available is done to identify any liquidity gap and necessary arrangement of funds is carried out accordingly.

Operational Risk:

The risk of loss that arises from shortcomings or failures in internal processes or systems and which can arise on account of inadequate systems, controls or human errors.

Your Company manages, the operational risks through well-defined operational processes, policies and systems which are reviewed on a periodical basis. Frequent audits by internal auditors further ensure adherence to defined processes and policies.

Regulatory and Compliance Risk:

The risk arising out of a change in laws and regulations governing our business.

Your company has dedicated Compliance Team whose primary responsibility is to circulate / guide the functional teams in implementing the various regulatory circulars, guidelines, etc. Further, regular Internal Audit carried out by regulators / Internal Auditors of the company ensures adherence to the regulatory / policies requirements on any specific area / function. Discussion of audit findings of various Regulators (including concurrent audits as mandated by SEBI / NSDL) with the Senior Management / Board is carried out.

Competition Risk:

Strong growth prospects combined with liberalization of financial services sector have prompted the entry of newer foreign and domestic financial services companies, thereby increasing the competition faced by your company. This also increases the risk of attrition of key personnel to the competitors.

Innovative products and services, approach in having fair and transparent dealings with the customers, employee engagement programs with objective oriented trainings help the company to maintain the company's brand image and thus differentiates your company from the competitors.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that there are internal controls in place with reference to the Financial Statement and that such controls are operating effectively.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Expenditure in Foreign Currency (on accrual basis):

- Travelling ₹ 29.94 Lakhs (Previous Year ₹ 13.23 Lakhs)
- Membership and Subscription ₹ 144.79 Lakhs (Previous Year ₹ 166.99 Lakhs)
- Business Promotion ₹ 3.51 Lakhs (Previous Year ₹ 6.02 Lakhs)
- Common Establishment Expenses - Reimbursement ₹ 992.57 Lakhs (Previous Year ₹ 1,559.70 Lakhs)
- Communication ₹ 2.13 Lakhs (Previous Year ₹ 3.36 Lakhs)
- Data Processing Charges ₹ 33.61 Lakhs (Previous Year ₹ 27.78 Lakhs)
- Professional Fees ₹ 413.07 Lakhs (Previous Year ₹ 448.03 Lakhs).
- Conference & Meeting Rs. Nil Lakhs (Previous Year ₹ 8.10 Lakhs).
- Sub-brokerage / Referral Fees ₹ 1,302.58 Lakhs (Previous Year ₹ 659.50 Lakhs).
- Connectivity Expenses ₹ 320.99 Lakhs (Previous year ₹ 274.20 Lakhs)

(b) Earnings in Foreign Currency (on accrual basis): -

i. ₹ 2,500.07 Lakhs (Previous Year ₹ 2,377.29 Lakhs)

DEPOSITS

Your Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

Pursuant to Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2.

All Related Party Transactions as required under Accounting Standards AS18 are reported in Notes to Accounts under clause no. 43

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the period under review the Company has not given any loan or provided guarantee in connection with any loan to any other body corporate or person. Particular of investments made by the Company are forming part of notes to accounts.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is appended hereto and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Education and Livelihood. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as Annexure B.

WORK FROM HOME POLICY

Due to disruption created by COVID19 global pandemic and keeping in mind interest of employees, your company has successfully implemented Work From Home policy during the year. Company has put in place necessary checks and controls.

ANNUAL RETURN

The extracts of the annual return as on the financial year ended on March 31, 2020 in Form MGT-9 is enclosed as Annexure C and shall form part of Board's Report. Annual Return of the Company is hosted on the website of the Company. The weblink for Annual Return is as below:

http://www.kotaksecurities.com/ksweb/Important-Policies

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Our Company has also put in place the Whistle Blower Policy to raise concerns internally and to disclose information, which the individual believes shows malpractice, serious irregularities, fraud, unethical business conduct, abuse or wrong doing or violation of any Indian law.

The Whistle Blower Policy is also put up on the Company's website viz. URL http://www.kotaksecurities.com/ksweb/Important-Policies and regular communication is made for sustained awareness.

During the year under review no cases were reported to Whistle Blower Committee or the Chairman of the Audit Committee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. APPOINTMENT

Mr. Jaideep Hansraj appointed as the Managing Director of the Company w.e.f. July 15, 2019.

Mr. Noshir Dastur, Independent Director of the Company has been re-appointed for a further period of 5 years w.e.f. March 26, 2020.

II. RETIREMENT BY ROTATION

Mr. Narayan SA retires by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment and has offered himself for re-appointment.

III. RESIGNATION

Mr. Kamlesh Rao, Managing Director – Retail Division resigned from the company during the year and he has been relieved w.e.f. August 18, 2019.

Mr. Ravi Iyer, Managing Director – Institutional Equities Division resigned from the company during the year and he has been relieved w.e.f. November 27, 2019.

IV. DECLARATION FROM INDEPENDENT DIRECTORS

The Board consists of 2 Independent Directors. The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

V. REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated criteria for appointment of Senior Management personnel and the Directors. Based on the criteria set it recommends to the Board the appointment of Directors and Senior Management personnel. The Committee considers the qualifications, experience fit & proper status, positive attributes as per the suitability of the role and independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

Remuneration to the KMPs i.e. Managing Director and the Company Secretary, is as per the terms of their employment.

VI. MEETINGS OF BOARD

During the year eleven meetings of Board were held and required quorum were present during the meeting.

COMMITTEES OF THE BOARD

With a view to have more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Non-Mandatory Committees viz. Routine and Administrative Functions (RAF) Committee, First Tier Audit Committee (FTAC), Risk Management Committee and Conflict of Interest Committee.

- **Audit Committee**

  The Committee consists of Mr. Noshir Dastur as Chairman and Ms. Falguni Nayar and Mr. Narayan S.A, as its members.

  During the year six meetings of the Committee were held.

- **Nomination and Remuneration Committee**

  The Nomination Committee consists of Ms. Falguni Nayar as Chairperson, Mr. Noshir Dastur and Mr. Narayan S.A. as its members.

  During the year three meetings of the Committee were held.

- **Corporate Social Responsibility Committee**

  The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Noshir Dastur and Mr. Jaideep Hansraj as its members.

  During the year two meetings of the Committee were held.

- **Routine and Administrative Functions (RAF) Committee**

  The Committee consists of Mr. Narayan S.A. as Chairman, Mr. K.V.S. Manian, Mr. Jaideep Hansraj as its members.

  During the year three meetings of the Committee were held.

- **First Tier Audit Committee (FTAC)**

  The Committee consists of Mr. Narayan S.A. as Chairman, Mr. K.V.S. Manian, Mr. Jaideep Hansraj as its members.

  During the year three meetings of the Committee were held.

- **Risk Management Committee (Board)**

  The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Jaideep Hansraj as member.

  During the year one meeting of the Committee was held.

- **Conflict of Interest Committee**

  The Committee consists of Mr. Narayan S.A. as Chairman, Mr. Jaideep Hansraj as member.

  No meetings were held during the year.

INDEPENDNET DIRECTORS MEETING

During the year under review, the Independent Directors could not meet separately to transact the business as mentioned in the Schedule IV of the Companies Act, 2013 due to disruptions created by COVID19. Independent Directors exchanged their views on telephone before conducting performance evaluation of the Board, Committees and Executive Director.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment. The said policy is in line with relevant Act passed by the parliament in 2013. The Company through the policy ensures that all such complaints are resolved within defined timelines. During the year, no cases were reported to the Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Nomination and Remuneration Committee (NRC) had approved a framework/policy for evaluation of the Board, Committees of the Board and the Individual members of the Board. The performance evaluation has been carried out as per the requirement of the Companies Act, 2013 and based on the framework approved by the Nomination and Remuneration Committee.

AUDITORS

- **Statutory Auditors:**

  The Company's auditors, M/s Deloitte Haskins & Sell LLP, Chartered Accountants (Firm Regn No: 117366W/W-100018), were appointed as Statutory Auditors of the Company for a period of 5 years at the 23rd Annual general Meeting of the Company held on 20th June 2017 to hold office till the conclusion of 28th Annual General Meeting.

- **Secretarial Auditor:**

  The Board had appointed Mrs. Rupal Jhaveri, Practicing Company Secretary (Membership no. 5441), to carry out Secretarial Audit under the provisions of the Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor is annexed to this report as Annexure D.

EXPLANATIONS/ COMMENTS BY THE BOARD:

- On every qualification, reservation or adverse remark or disclaimer made by practicing CS in secretarial audit report.

  NIL.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2020 and of the profit of your Company for the financial year ended 31st March, 2020;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

(vi) they had laid down internal financial control to be followed by the Company and that such internal financial control are adequate and are operating effectively.

ACKNOWLEDGEMENTS

The Directors wish to thank Securities and Exchange Board of India, the Stock Exchanges, the Depositories and the Company's Bankers for their support. The Directors commend the employees of the Company for their dedicated efforts.

For and on behalf of the Board of Directors

Narayan SA
Chairman
(DIN No. 00007404)

Place: Mumbai

Date: 29th June, 2020

Annexure A

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	Sl. No.	
2.	Name of the subsidiary	**Kotak Mahindra Financial Services Limited**
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	**USD**
5.	Share capital	**84,455,743**
6.	Reserves & surplus	**(4,279,381)**
7.	Total assets	**105,012,301**
8.	Total Liabilities	**24,835,939**
9.	Investments	**NIL**
10.	Turnover	**106,057,996**
11.	Profit before taxation	**(10,008,121)**
12.	Provision for taxation	**NIL**
13.	Profit after taxation	**(10,008,121)**
14.	Proposed Dividend	**NA**
15.	% of shareholding	**73.36%**

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Kotak Mahindra Prime Ltd	Kotak Infrastructure Debt Fund Ltd
1. Latest audited Balance Sheet Date	27-June-2020	22-June-2020
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.		
Amount of Investment in A ssociates/Joint V enture	₹ 27,080.69 Lakhs	₹ 9,300 Lakhs
Extent of Holding %	49%	30%
Name of Associates/Joint Ventures	Kotak Mahindra Prime Ltd	Kotak Infrastructure Debt Fund Ltd
3. Description of how there is significant influence	Shareholding	Shareholding
4. Reason why the associate/joint venture is not consolidated	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 363,751.88 Lakhs	₹ 11,372.01 Lakhs
6. Profit / Loss for the year		
i. Considered in Consolidation	₹ 43,028.57 Lakhs	₹ 914.04 Lakhs
i. Not Considered in Consolidation	-	-

1. Names of associates or joint ventures which are yet to commence operations. - None
2. Names of associates or joint ventures which have been liquidated or sold during the year. - None

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Annexure B

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Kotak Securities Limited (KSL) further referred to as your Company, has constituted a Board Corporate Social Responsibility Committee (CSR Committee) and consists of the following Directors:

1. Mr. Narayan S.A.
2. Mr. Noshir Dastur
3. Mr. Jaideep Hansraj

Your Company's CSR Committee is responsible to monitor, review and approve CSR initiatives and expenditure. It also makes recommendations to the Board on CSR Policy and related matters. It is the CSR Committees role to oversee the implementation of all the CSR activities of the Company.

The CSR approach of your Company is charted out in its Board approved CSR policy. This policy sets out your Company's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India. It also demonstrates your Company's contribution towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs).

The Company's CSR policy is available on the Company's website viz. URL: http://www.kotaksecurities.com/ksweb/Important-Policies

The CSR policy, projects, programmes and the CSR expenditure are all compliant with the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time.

The average net profit U/S 198 of the Company for the last three financial years preceding 31st March, 2020 is ₹ 628.53 Crore.

The prescribed CSR expenditure required U/S 135, of the Act for FY 2019-20 is ₹ 12.57 Crore.

The CSR expenditure incurred for the period 1st April 2019 to 31st March 2020 under Section 135 of Companies Act, 2013 amounts to ₹ 6.29 Crore as against ₹ 4.22 Crore CSR spend of the same period in FY 2018-19. The unutilised CSR Expenditure, for FY 2019-20, from the prescribed CSR expenditure requirement amount U/S 135 is ₹ 6.28 Crore, and the deficit of the unutilised CSR Expenditure from the prescribed CSR expenditure amount under section 135 of Companies Act, 2013 for FY 2019-20, is ₹ 6.28 Crore.

CSR expenditure of ₹ 6.29 Crore in FY 2019-20 as a percentage of average net profit U/S 198 of the Company for the last three financial years preceding 31st March, 2020 at ₹ 628.53 Crore is over 1.00%.

It's the constant endeavour of the Company to enhance its CSR capabilities by adopting a purpose driven CSR approach, focusing on sustainable and scalable programmes, spreading in focused geographies and aligning to SDGs and the national narrative.

The implementation of the CSR projects and programmes is done directly and /or through selected partner who may be either governmental agencies, NGOs and/or other institution, having a proven track record to implement cost and process efficient CSR projects and/or programmes that are scalable, sustainable, and have measurable social outcomes and impact. Also, the implementation is done through employee volunteering. The Company's CSR footprint has been consistently increasing over the years. The Company is committed to stepping-up its CSR programmes and expenditure in the years ahead. Foremost reason for underutilisation of the Company's CSR expenditure is the NGOs' inability to utilise large CSR expenditure allocated under the Company's CSR Programmes.

Your Company does not consider "administrative overheads" as a part of its CSR expenditure.

The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The details of CSR activities and spends under Section 135 of the Companies Act, 2013 for FY 2019-20.

Sl. No	CSR project/ activity identified	Sector in which the project is covered	Area of project implementation (Name of the District / s, State / s where project / programme was undertaken	Programme / project wise budgeted amount (₹ Lakh)	Programme / project wise actual spend during the year – Direct expenditures (₹ Lakh)	Programme / project wise actual spend during the year – Overheads (₹ Lakh)	Cumulative Expenditure upto reporting period (since FY 2014-15) (₹ Lakh)	Amount spent Direct or through implementing agency (₹ Lakh)
1	Education & Livelihood	Promoting education and employment enhancing vocation skills n	Mumbai, Maharashtra	1257.0	497.1*	105.1*	1404.7	Direct - 8.7 Implementing Agency – 620.0

**Out of ₹ 620.0 Lakh CSR Expenditure payment made to partner NGOs by the Company under its CSR Programme on Education & Livelihood in FY 2019-20, ₹ 26.5 Lakh was unspent by the NGOs, as of 31st March, 2020. The NGOs have assured that they will utilise these unspent CSR funds towards the Company's Programmes in FY2020-21.*

Education & Livelihood:

Your Company through implementation partner Kotak Education Foundation (KEF) has been working to enhance student learning outcomes and the economic & social wellbeing of the beneficiaries through various education and livelihood programmes. The different educational and livelihood interventions empower leaders, teachers, students and youth to bring in a sustainable change. The NGO worked across 100 schools in 14 wards in Mumbai in FY2019-20 and provided vocational skill training and placement support in the field of Beauty Care, CRS, Advance-IT and BFSI.

KEF works extensively across Mumbai to strengthen the Education system by providing training support to the leaders and teachers of the schools through its LEAD and GURU Programmes, the spoken English programme UMANG works with the children from class 6th onwards. KEF also works on the health aspects of the students by providing nutritious meals through Mid-Day Meal Programme, Kishori Sehat Abhiyan, and Eye-care. PARVARISH Programme works with the parents thereby building their capacities. UNNATI, is the skill training programme which trains youth to become either job ready or self-reliant.

Your Company has also partnered with Pratham Education Foundation to provide educational support to the children studying in class 1st -2nd and class 3rd -5th. The Programme in FY2019-20 reached about 26,920 students through learning camps organised in schools and community based activities in Jaipur, Hyderabad, Vizag, Nashik, pimpri, Nagpur, Patna and Lucknow. Another segment of the Programme focuses on providing opportunity to girls/women to complete class 10th through National Institute of Open Learning (NIOS). In FY2019-20, through the Programme 385 women appeared for class 10th exam from Jaipur, Hyderabad and Patna cities.

For Kotak Securities Limited

Jaideep Hansraj	**Narayan SA**
Managing Director	Chairman
DIN: 02234625	DIN : 00007404

ANNEXURE C
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U99999MH1994PLC134051
ii)	Registration Date	:	20th July, 1994
iii)	Name of the Company	:	Kotak Securities Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered office and contact details :1		27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 05
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.		N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Activities auxiliary to Financial Intermediation Security dealing activities and related activities.	67120	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Kotak Mahindra Bank Limited Address: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	L65110MH1985PLC038137	Holding Company	74.99	Section 2(46) of the Companies Act, 2013
2	Kotak Mahindra Financial Services Limited Address: Office No. 703, Level 7, Office Tower – 2, Al Fattan Currency House, Dubai International Financial Centre, Post Box 16498, Dubai, UAE.	CL0888	Subsidiary Company	73.36	Section 2(87) of the Companies Act, 2013
3	Kotak Mahindra Prime Limited Address: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	U67200MH1996PLC097730	Associate Company	49.00	Section 2(6) of the Companies Act, 2013
4	Kotak Infrastructure Debt Fund Limited Address: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	U65910MH1988PLC048450	Associate Company	30.00	Section 2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1,199,985	1,199,985	74.99906	-	1,199,985	1,199,985	74.99906	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**	**1,199,985**	**1,199,985**	**74.99906**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-

Category of Shareholders			No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	i)	Indian	400,010	-	400,010	25.00063	400,010	-	400,010	25.00063	-
	ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals		-	-	-	-	-	-	-	-	-
	i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	5	5	0.0003	-	5	5	0.0003	-
	ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)		-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-			**400,010**	**5**	**400,015**	**25.00093**	**400,010**	**5**	**400,015**	**25.00093**	
Total Public Shareholding (B)=(B)(1)+(B)(2)			**400,010**	**5**	**400,015**	**25.00093**	**400,010**	**5**	**400,015**	**25.00093**	
C.	**Shares held by Custodian for GDRs & ADRs**										
			-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)			**400,010**	**1,199,990**	**1,600,000**	**100**	**400,010**	**1,199,990**	**1,600,000**	**100**	**-**

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	Pledged / encumbered to total shares	% change in share holding during the year
1.	Kotak Mahindra Bank Limited	1,199,985	74.99906	-	1,199,985	74.99906	-	-

(iii) Change in Promoters' Shareholding - THERE IS NO CHANGE

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat etc)	-	-	-	-
	At the end of the year	-	-	-	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Kotak Mahindra Capital Company Limited	At the beginning of the year	400,010	25.00063	400,010	25.00063
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	400,010	25.00063	400,010	25.00063
2	Mr. T.V. Raghunath Jointly with Kotak Mahindra Bank Limited.	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
3	Mr. Krishnan Venkat Subramanian Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
4	Mr. Dipak Gupta Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
5	Ms. Shanti Ekambaram Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006
6	Mr. Jaimin Bhatt Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	1	0.00006	1	0.00006

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. no	Name of Director and Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Krishnan Venkat Subramanian Jointly with Kotak Mahindra Bank Limited	At the beginning of the year	1	0.00006	1	0.00006
		Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
		At the End of the year	1	0.00006	1	0.00006

V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lac.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	136,290.68	-	136,290.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**136,290.68**	**-**	**136,290.68**
Change in Indebtedness during the financial year				
· Addition	-	832,896.81	-	832,896.81
· Reduction	-	(870,000.00)	-	(870,000.00)
Net Change	**-**	**(37,103.19)**	**-**	**(37,103.19)**
Indebtedness at the end of the financial year				
i) Principal Amount	-	99,187.49	-	99,187.49
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	**-**	**99,187.49**	**-**	**99,187.49**

The Details are further updated once Financial Statements are approved.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Managing Directors			Total Amount
		Kamlesh Rao	Ravi Iyer	Jaideep Hansraj	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93,72,020	5,34,68,982	2,94,26,501	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	46,67,018	1,71,19,911	3,37,33,531	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify…				
5	Others, please specify				
	Total (A)	**1,40,39,038**	**7,05,88,893**	**6,31,60,032**	**14,77,87,963**
	Ceiling as per the Act				**76,77,14, 880**

A. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors		Total
		Noshir Dastur	Falguni Nayar	
1.	**Independent Directors**			
	• Fee for attending board / committee meetings	7,70,000	4,00,000	11,70,000
	• Commission*	6,00,000	6,00,000	12,00,000
	• Others, please specify			
	Total Managerial Remuneration	**13,70,000**	**10,00,000**	**23,70,000**
	Overall Ceiling as per the Act			**76,77,14,880**

*Subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Deepak Shenoy (Company Secretary)
1	Gross salary	14,56,108
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- others, specify…	
5	Others, please specify	
	Total	14,56,108

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type		Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B.	**DIRECTORS**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Narayan SA
Chairman
DIN No. 00007404

Place: Mumbai
Date: 29th June, 2020

Annexure D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KOTAK SECURITIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kotak Securities Limited (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings: There was no overseas Direct Investment made or External Commercial Borrowings during the year.

(v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were complied by the Company during the Audit Period, to the extent applicable:

  (a) SEBI (Stock Brokers and Sub-brokers) Regulations, 1992;

  (b) SEBI (Depositories and Participants) Regulations, 2018;

  (c) Depositories (Appeal to the Central Government) Rules, 1998;

  (d) SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007;

  (e) SEBI (Foreign Portfolio Investors) Regulations, 2017 and SEBI (Foreign Portfolio Investors) Regulations, 2019 (Not Applicable);

  (f) SEBI (Intermediaries) Regulations, 2008;

  (g) SEBI (Investment Advisers) Regulations, 2013;

  (h) SEBI (Investor Protection and Education Fund) Regulations, 2009(Not Applicable);

  (i) SEBI [KYC (Know Your Client) Registration Agency) Regulations, 2011;

  (j) SEBI (Mutual Funds) Regulations, 1996 (Not Applicable);

  (k) SEBI (Portfolio Managers Regulations), 1993;

  (l) SEBI (Research Analysts) Regulations, 2014;

  (m) SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003;

  (n) SEBI'S master circular on AML/CFT and AML rules and regulation and Bye-Law and Circulars issued by said regulators from time to time;

(o) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not Applicable);

(p) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable);

(q) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable);

(r) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(s) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable);

(t) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not Applicable);

(u) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not Applicable).

(viii) Other laws to the extent applicable to the Company as per the representations made by the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the above Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

The Company has issued Commercial Papers during the year under report and the same were listed on BSE Limited (the 'Stock Exchange'). The Company has complied with all the applicable provisions of Framework for Listing of Commercial Paper issued by SEBI vide its Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October 2019. Commercial Papers maturing during the year under report have been timely repaid and record dates thereof have been intimated to the Stock Exchange within prescribed time. However, there has been a delay in intimation to the Stock Exchange of the confirmation of timely repayment of the said commercial papers in accordance with Clause 2.4 of Annexure II of the said circular.

I further report that

The Board of Directors of the Company is constituted in accordance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance except in some cases where Board meetings were held at a short notice to transact urgent business, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. **The Company had listed its Commercial Paper on BSE Limited (the 'Stock Exchange') under the Framework for Listing of Commercial Paper issued by SEBI vide its Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October 2019.**

2. **The Members at their Twenty-Fifth Annual General Meeting dated 23rd August, 2019 had approved giving of loan & guarantee, making investment in securities and providing security vide special resolution u/s 186 of the Companies Act, 2013 upto a limit of ₹ 7,000 Crores.**

3. **The Members at the Extra Ordinary General Meeting dated 17th January, 2020 had approved giving of loan & guarantee, making investment in securities and providing security vide special resolution u/s 186 of the Companies Act, 2013 upto a limit of ₹ 8,000 Crores.**

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No.: 4225
ICSI UDIN: F005441B000391574

Place: Mumbai
Date: 27th June, 2020

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members
KOTAK SCEURITIES LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Decisions at the meetings of the Board of Directors of the Company were carried out unanimously.

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No.: 4225
ICSI UDIN: F005441B000391574

Place: Mumbai
Date: 27th June, 2020

Independent Auditor's Report

To The Members of

KOTAK SECURITIES LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of Kotak Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its changes in equity and cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Key Information technology (IT) systems used in financial reporting process The Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. The Company uses Oracle system as the General Ledger for overall financial reporting which is interfaced with other systems that process transactions, which impacts significant account balances. The Company relies on automated processes and controls for recording of its transactions and accordingly, our audit was focussed on key IT systems and controls due to the pervasive impact on the standalone financial statements.	Principal Audit procedures: We involved our IT specialists to obtain an understanding of the entity's IT related control environment. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audit. For the key IT systems relevant to financial reporting, our areas of audit focus included Access Security (including controls over privileged access), Program Change controls and Network Operations. In particular: • we obtained an understanding of the entity's IT environment and key changes if any during the audit period that may be relevant to the audit; • we tested the design, implementation and operating effectiveness of the General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit. Further, controls related to program change were evaluated to verify whether the changes were approved, tested in an environment that was segregated from production and moved to production by appropriate users;

Sr. No.	Key Audit Matter	Auditor's Response
		• we tested key automated business cycle controls, related interfaces and logics for system generated reports relevant to the audit for evaluating completeness and accuracy; • we also tested the controls over network segmentation, restriction of remote access to the entity's network, controls over firewall configurations and mechanisms implemented by the entity to prevent, detect and respond to network security incidents; and we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone Financial Statements.
2.	Identification of and provisioning for expected credit loss (ECL) on trade receivables and loans under margin facility in accordance with the Company's policy (Refer Note 5 and 6 to the standalone financial statements) The Company as part of its Broking business has trade receivables and loans under margin facility offered to customers for trading purposes carried at amortised cost amounting to Rs. 241,294.49 lakhs net of provision for ECL Rs. 2,824.37 lakhs as at March 31, 2020. Identification of and provisioning for ECL on trade receivables and loans in accordance with the Company's policy is a key audit matter due to the current processes at the Company which requires manual interventions, management estimates and judgement and other stakeholders focus. The most significant judgements are: • Determining the probability of defaults based on internally developed model and estimation of loss given defaults based on the value of collaterals and other relevant factors. • Quantitative factors like days past due behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points and qualitative factors like reduction in the value of security, correlation of macro-economic variables to determine expected losses. • Inputs and Judgements used in determination of management overlay considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID-19 Pandemic. Given the inherent judgmental nature and the complexity of audit procedures involved, we determined this to be a key audit matter.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of identification of and provisioning for ECL on trade receivables and loans in accordance with the Company's policy. In particular: • we have evaluated the Company's internal control system in adhering to the Company's policy for identification of and provisioning for ECL on trade receivables and loans; • we have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to identification and classification of trade receivables and loans in appropriate buckets, key assumptions used for the purpose of determination of ECL provision, completeness and accuracy of the data inputs used, monitoring of overdue positions; determination of Probability of Default based on internally developed model, Loss Given Default based on value of collaterals and Exposure At Default; • we reviewed the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process like Quantitative factors like days past due behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points and qualitative factors like reduction in the value of security, correlation of macro-economic variables to determine expected losses. We also test-checked the completeness and accuracy of source data used; • we test checked trade receivables and loans to examine the approval process, validity of the recorded amounts, documentation, examined the statement of accounts; • we have evaluated, the reasonableness of the judgement involved in management overlays arising out of COVID 19 pandemic forming part of the impairment provision, and the related approvals;

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report including Annexures to the Directors' Report, but does not include the consolidation financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements ;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rukshad N. Daruvala
Partner
(Membership No. 111188)
UDIN: 20111188AAAADF9986

Place: Mumbai
Date: June 29, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 1(F) UNDER 'OTHER REPORTING RESPONSIBILITIES' SECTION OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KOTAK SECURITIES LIMITED FOR THE YEAR ENDED MARCH 31, 2020)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

We have audited the internal financial controls over financial reporting of **Kotak Securities Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rukshad N. Daruvala
Partner
(Membership No. 111188)
UDIN: 20111188AAAADF9986

Place: Mumbai
Date: June 29, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Standalone Financial Statements of Kotak Securities Limited ("the Company") for the year ended March 31, 2020)

(i) In respect of Company's Property, plant & equipment and Investment Property :

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant & equipment and Investment Property.

(b) The Property, plant & equipment and Investment Property were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, plant & equipment and Investment Property at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, goods and services tax, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities. As explained to us the Company did not have any dues on account of Customs Duty and Excise Duty.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax / goods and service tax, value added tax, cess and any other material statutory dues in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) As at March 31, 2020, the following are the particulars of dues on account of income tax and service tax that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in lakhs)	Amount unpaid (Rs. in lakhs)
The Finance Act, 1994	Service tax	The Commissioner of Service Tax	July 2012-September 2014	2,430	2,430
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2013-2014	707*	-
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2014-2015	382*	-
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2015-2016	2,791	2,791
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2016-2017	170	170
The Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	Assessment Year 2017-2018	258	258

(* Paid under protest)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not borrowed from Government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or issued any fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence the provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rukshad N. Daruvala
Partner
(Membership No. 111188)
UDIN: 20111188AAAADF9986

Place: Mumbai
Date: June 29, 2020

Balance Sheet

As at 31st March, 2020

(₹ in Lakhs)

Sr No	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2	22,744.20	2,013.92
(b)	Bank Balance other than (a) above	3	5,27,266.95	3,43,791.80
(c)	Derivative financial instruments	4	157.07	224.39
(d)	Receivables	5		
	Trade receivables		1,95,808.98	1,69,298.65
			1,95,808.98	1,69,298.65
(e)	Loans	6	45,594.51	58,133.56
(f)	Investments	7	1,62,880.91	2,58,445.21
(g)	Other Financial assets	8	4,626.57	1,237.73
	Total Financial assets		**9,59,079.19**	**8,33,145.26**
(2)	**Non-financial assets**			
(a)	Current Tax assets (Net)	9	1,358.89	1,369.01
(b)	Deferred Tax assets (Net)	10	360.78	612.82
(c)	Investment Property	11	2,142.58	2,187.87
(d)	Property, Plant and Equipment	12	11,015.39	5,649.83
(e)	Other intangible assets	13	374.65	480.26
(f)	Other Non-Financial assets	14	3,167.61	4,406.26
	Total Non-financial assets		**18,419.90**	**14,706.05**
	Total Assets		**9,77,499.09**	**8,47,851.31**
LIABILITIES AND EQUITY				
LIABILITIES				
(1)	**Financial liabilities**			
(a)	Derivative financial instruments	4	44.80	352.27
(b)	Payables	15		
	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,75,017.08	2,96,472.46
			3,75,017.08	2,96,472.46
(c)	Debt securities	16	99,187.49	1,36,290.68
(d)	Borrowings (Other than Debt Securities)	17	11.47	-
(e)	Other Financial liabilities	18	38,125.68	7,437.47
	Total Financial liabilities		**5,12,386.52**	**4,40,552.88**
(2)	**Non-Financial liabilities**			
(a)	Current tax liabilities (Net)	9	2,985.58	1,584.17
(b)	Provisions	19	3,668.75	3,513.87
(c)	Other non-financial liabilities	20	3,056.63	2,330.80
	Total Non-financial liabilities		**9,710.96**	**7,428.84**
	Total Liabilities (A)		**5,22,097.48**	**4,47,981.72**
(3)	**EQUITY**			
(a)	Equity Share Capital	21	160.00	160.00
(b)	Other equity	22	4,55,241.61	3,99,709.59
	Total Equity (B)		**4,55,401.61**	**3,99,869.59**
	Total Liabilities and equity (A+B)		**9,77,499.09**	**8,47,851.31**
	See accompanying notes to the standalone financial statements	1-48		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place : Mumbai
Date : 29th June, 2020

For and on behalf of the Board of Directors
Kotak Securities Limited

Narayan.S.A
Chairman
(DIN: 00007404)

Jaideep Hansraj
Managing Director
(DIN: 02234625)

Shripal Shah
President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 29th June, 2020

Statement of Profit and Loss

For the year ended 31st March, 2020

(₹ in Lakhs)

Sr no.	Particulars	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
	REVENUE FROM OPERATIONS			
(i)	Interest income	23	54,947.13	53,994.55
(ii)	Dividend income	24	779.96	595.06
(iii)	Fees and commission income	25	1,11,913.98	1,06,769.25
(iv)	Net gain on fair value changes	26	14,084.70	9,443.30
(I)	**Total revenue from operations**		**1,81,725.77**	**1,70,802.16**
(II)	**Other income**	27	3,448.56	1,755.22
(III)	**Total income (I + II)**		**1,85,174.33**	**1,72,557.38**
	EXPENSES			
(i)	Finance costs	28	13,439.41	12,620.02
(ii)	Fees and commission expense	29	24,408.47	23,620.00
(iii)	Impairment on financial instruments	30	497.40	1,529.92
(iv)	Employee Benefits expenses	31	36,120.51	35,674.99
(v)	Depreciation, amortisation and impairment	32	3,922.24	2,265.78
(vi)	Other expenses	33	34,155.25	33,604.72
(IV)	**Total expenses**		**1,12,543.28**	**1,09,315.43**
(V)	**Profit before tax (III-IV)**		**72,631.05**	**63,241.95**
(VI)	**Tax expense**	35		
	(1) Current tax		18,955.90	23,191.33
	(2) Current tax pertaining to prior periods		(4.33)	2.90
	(3) Deferred tax charge/(credit)		171.14	(711.85)
	Total tax expense (1+2+3)		**19,122.71**	**22,482.38**
(VII)	**Profit for the year from continuing operations (V-VI)**		**53,508.34**	**40,759.57**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans	39	(425.64)	(115.00)
	Sub-total		**(425.64)**	**(115.00)**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		84.38	40.19
	Total (A)		**(341.26)**	**(74.81)**
	(B) Items that will be reclassified to profit or loss			
	(i) Debt Instruments through Other Comprehensive Income		1,596.82	(533.82)
	Sub total		**1,596.82**	**(533.82)**
	(ii) Income tax relating to items that will be reclassified to profit or loss		(358.49)	124.36
	Total (B)		**1,238.33**	**(409.46)**
	Other comprehensive income (A+B)		**897.07**	**(484.27)**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**54,405.41**	**40,275.30**
(X)	**Earnings per equity share (For continuing operations)**	34		
	Basic (₹)		3,344.27	2,547.47
	Diluted (₹)		3,344.27	2,547.47
	See accompanying notes to the standalone financial statements	1-48		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place : Mumbai
Date : 29th June, 2020

For and on behalf of the Board of Directors
Kotak Securities Limited

Narayan.S.A
Chairman
(DIN: 00007404)

Jaideep Hansraj
Managing Director
(DIN: 02234625)

Shripal Shah
President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 29th June, 2020

Statement of Changes in Equity

For the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
Balance as at 1-April-2018	160.00
Changes in equity share capital during the year	-
Balance as at 31-March-2019	160.00
Changes in equity share capital during the year	-
Balance as at 31-March-2020	160.00

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus					
	General Reserve	Securities premium	Retained earnings	Capital contribution from holding company	Debt instruments through Other comprehensive income	Total
Balance as on 01-April-2018	17,281.94	2,350.35	3,34,973.41	1,568.70	1,674.45	3,57,848.85
Profit for the year	-	-	40,759.57	-	-	40,759.57
Other comprehensive income for the year	-	-	(74.81)	-	(409.46)	(484.27)
Total comprehensive income	**-**	**-**	**40,684.76**	**-**	**(409.46)**	**40,275.30**
Employee stock option	-	-	-	1,585.44	-	1,585.44
Balance as on 31-March-2019	**17,281.94**	**2,350.35**	**3,75,658.17**	**3,154.14**	**1,264.99**	**3,99,709.59**
Impact of adoption of Ind AS 116 (net of deferred tax)			(361.50)			(361.50)
Profit for the year	-	-	53,508.34	-	-	53,508.34
Other comprehensive income for the year			(341.26)	-	1,238.33	897.07
Total comprehensive income	**-**	**-**	**52,805.58**	**-**	**1,238.33**	**54,043.91**
Employee stock option	-	-	-	1,488.11		1,488.11
Balance as on 31-March-2020	**17,281.94**	**2,350.35**	**4,28,463.75**	**4,642.25**	**2,503.32**	**4,55,241.61**
(Refer note no. 22)						

See accompanying notes to the standalone financial statements 1-48

In terms of our report attached
For Deloitte Haskins & Sells LLP
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Company Secretary

Place : Mumbai
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Cash Flow Statement

As at 31st March, 2020

(₹ in Lakhs)

	Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
(A)	**Cash flow from operating activities**		
	Profit before tax	**72,631.05**	**63,241.95**
	Add / (Less) adjustment from /(used in):		
	Depreciation, amortisation and impairment	3,922.24	2,265.78
	Finance Costs	10,717.84	10,545.03
	Interest income on Investment	(7,491.97)	(6,743.35)
	Dividend income	(779.96)	(595.06)
	Rental Income from Investment Property	(1,005.00)	(1,005.01)
	Liabilities Written back as no longer required	(1,134.77)	(103.66)
	Remeasurement of net defined benefit plan	(425.64)	(115.00)
	Net Gain on derecognition of Property, Plant and Equipment	(93.58)	(50.91)
	Profit on sale of investments (net)	(2,241.59)	(3,868.77)
	Unrealised Fair value changes	(478.90)	(1,060.88)
	Net Unrealised exchange (Gain) / Loss (net)	(11.67)	1.47
	Provision / (Reversal) for/ of diminution in value of Investments	40.17	37.81
	Fair value of ESOP and SARS	1,487.94	1,583.60
	Impairment on financial instruments	497.40	1,529.92
	Operating profit before working capital changes	75,633.56	65,662.92
	Changes in working capital adjustments		
	Adjustment for		
	Increase/ (decrease) in trade payables	79,679.39	1,19,198.14
	Increase / (decrease) in provisions	154.88	323.00
	Increase / (decrease) in other financial liabilities	672.65	(5,703.38)
	Increase / (decrease) in other non-financial liabilities	725.83	395.29
	Decrease / (increase) in trade receivables	(27,079.00)	(97.91)
	Decrease / (increase) in loans and advances	12,357.50	8,373.99
	Decrease / (increase) in investments (held for trading) (net)	99,969.83	(58,626.02)
	Decrease / (increase) in other non financial assets	1,232.47	(1,070.44)
	Decrease / (increase) in other financial assets	(3,388.84)	23,744.25
	Decrease / (increase) in Bank Balance other than Cash and cash equivalents	(1,83,227.83)	(55,373.91)
	Decrease / (increase) in Derivative financial position	(240.15)	4.03
	Income tax paid (Net of refund)	(17,539.43)	(24,100.36)
	Net cash generated from operating activities (A)	**38,950.86**	**72,729.60**
(B)	**Cash flow from investing activities:**		
	Purchase of Property plant and equipments	(2,696.31)	(2,425.93)
	Proceeds from sale of Property plant and equipments	202.13	171.63
	Purchase of Investments (net)	(959.31)	(904.99)
	Interest received	7,491.97	6,722.42
	Dividend on investments	779.96	595.06
	Advance received for sale of Investments (FVTPL)	25,145.50	887.86
	Rental Income from Investment Property	1,005.00	1,005.01
	Net cash generated from investing activities (B)	**30,968.94**	**6,051.06**

(₹ in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
(C) Cash flow from financing activities:		
Proceeds from Commercial Paper (debt securities)	8,22,860.01	6,45,080.78
Repayments of Commercial Paper (debt securities)	(8,70,000.00)	(7,31,934.31)
Net Increase in Bank Overdraft	11.47	-
Finance Costs	(207.76)	(171.92)
Interest Expense on Lease Liabilities	(473.28)	-
Repayment of Lease Liabilities	(1,364.05)	-
Net cash used in financing activities (C)	**(49,173.61)**	**(87,025.45)**
Net Increase/(decrease) in Cash and cash equivalents (A)+(B)+(C)	20,746.19	(8,244.79)
Cash and cash equivalents at the beginning of the year	2,014.31	10,259.10
Cash and cash equivalents at the end of the year	22,760.50	2,014.31
* Cash and cash equivalents shown in Balance Sheet is net of ECL provision of ₹16.30 lakhs as at March 31, 2020, ₹ 0.39 lakhs as at March 31, 2019		

Notes:

1. Changes in liabilities arising from financing activities

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening balance	1,36,290.68	2,12,836.78
Borrowing taken during the year	8,22,860.01	6,45,080.78
Amortisation of interest and other charges on borrowings	10,036.80	10,307.43
Repayments during the year	(8,70,000.00)	(7,31,934.31)
Closing balance	**99,187.49**	**1,36,290.68**

2. The above Statement of Cash Flow has been prepared under the “Indirect Method” as set out in Ind AS -7 “Statement of Cash flows”.

3. Non- cash financing activity -
ESOP from parent of ₹ 1,488.11 lakhs for year ended 31 March 2020 (previous year - ₹1,585.44 lakhs)

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place : Mumbai
Date : 29th June, 2020

For and on behalf of the Board of Directors
Kotak Securities Limited

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Chairman
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Jaideep Hansraj
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Shripal Shah
President

Deepak Shenoy
Company Secretary

Place : Mumbai
Date : 29th June, 2020

Schedules

forming part of Balance Sheet and Profit and Loss Account

1.1 CORPORATE INFORMATION

Kotak Securities Limited ("The Company"), a subsidiary of Kotak Mahindra Bank Limited (KMBL), was incorporated on 20th July, 1994. It provides securities broking in cash equities segment, equity, commodity and currency derivatives segment, depository services, primary and secondary market distribution services. The Company is a member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), National Commodity & Derivatives Exchange Limited (NCDEX), Multi Commodity Exchange of India Ltd (MCX) and Metropolitan Stock Exchange of India Limited (MSEI). The Company is also a depository participant of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and is also registered as a portfolio manager with Securities and Exchange Board of India (SEBI). The Company is registered as a Mutual Fund Advisor with Association of Mutual Funds in India (AMFI) and also acts as a corporate agent of Kotak Mahindra Life Insurance Company Limited.

1.2 BASIS OF PREPARATION AND PRESENTATION

A. Statement of compliance

The standalone financial statements of the company have been prepared in accordance with the Indian Accounting Standards (herein after referred as 'Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. The outbreak was identified in China and on March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Government of India announced a strict 21-day lockdown which was extended twice, across the country to contain the spread of virus.

The Government of India has allowed Capital Markets to remain operational during the lockdown period, hence the business / operations of the Company continue to function normally with adequate safety measures. Due to uncertainty around the course of the COVID-19 pandemic and the likely impact on the economy the Company does not have data / visibility into the extent to which it will impact the Company's operations and it will largely depend upon on future developments. The impact of the global health pandemic may be different from that estimated as at the date of approval of Company's financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The standalone financial statements have been prepared on a historical cost basis except for

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments);
- Net defined benefit (assets) / liability – Plan assets are measured at fair value less present value of defined benefit obligation and
- Share-based payments - measured at fair value.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements except for the changes in accounting policies for Ind As 116 : Lease (refer note G) disclosed hereafter. These standalone financial statements were authorized for issue by the Company's Board of Director on 29th June 2020.

B. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Use of estimates and judgements

The preparation of standalone financial statements in conformity with the Ind AS requires the Management to make estimates and assumptions considered in the reported balances of assets and liabilities (including contingent liabilities) as on the date of the standalone financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Schedules

forming part of Balance Sheet and Profit and Loss Account

Judgement, estimates and assumptions are required in particular for:

I. Revenue

Recognition of revenue over time or at a point in time:

The Company recognises revenue from brokerage income at a point in time because performance obligation is completed once the service is provided by the Company.

The Company recognises revenue from fees over time because the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

II. Determination of estimated useful lives of property, plant and equipment, Intangible assets and Investment property

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Refer Note 12 for details.

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in note 39.

IV. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

V. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

VI. Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

VII. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

VIII. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

IX. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Company initially measures the cost of cash-settled transactions with employees using a Black-Scholes model. Key assumptions made include expected volatility of includes share price, expected dividends and discount rate, under this option pricing model. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the standalone statement of profit and loss. This requires a reassessment of the estimates used at the end of each reporting period.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

X. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 41.

XI. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

XII. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

XIII. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

XIV. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The 'value in use' calculation is based on a discounted cash flow model. The

Schedules

forming part of Balance Sheet and Profit and Loss Account

cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

XV. Lease classification: Company as a lessor

The Company has given office premises under lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

1.3 Significant accounting policies

A. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less.

B. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in standalone statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in standalone statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to standalone statement of profit and loss during the reporting period in which they are incurred.

iii. Depreciation

Deprecation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. Estimated useful lives of assets based on technical evaluation by management are as follows:

Lease hold improvements	Over the period of lease subject to a maximum of 6 years
Building	58 years
Furniture and Fixtures	6 years
Computers	3 years
Office Equipments	5 years
Motor Vehicles	4 years

Assets costing less than 5,000 are fully depreciated in the year of purchase.

C. Investment Property

Investment Property are property held to earn rentals and for capital appreciation. Investment Property are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which property is derecognised.

D. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

The intangible assets are amortized over the estimated useful lives as given below:

Software	3 years

E. Impairment of non-financial assets

The carrying values of assets (including Right of Use Assets) /cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the standalone statement of profit and loss, to the extent the amount was previously charged to the standalone statement of profit and loss. In case of revalued assets, such reversal is not recognized.

F. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Schedules

forming part of Balance Sheet and Profit and Loss Account

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

i. Brokerage Income (net of indirect taxes) recognized:

   a) On primary market subscription / mobilisation is accounted on allotment after intimation is received by the Company.

   b) On secondary market - income is recognised upon completion of brokerage services to its customers

Brokerage income is recognized at a point in time based on above timing

ii. Placement and other fee based income are accounted for on the basis of the progress of the assignment

iii. Fee income mainly includes depository fees and other charges recovered towards value added services provided to the clients. These are recognized on accrual basis as per the terms and conditions agreed with the client. Other charges recovered from secondary broking customers are recognized upon completion of services.

iv. Company also distributes Life Insurance products and Mutual fund schemes for which it receives commission income. In case the client discontinues the policy or redeems the mutual funds units within the stipulated time, Company is liable to repay the commission.

v. Portfolio management fees are recognized on accrual basis as follows:

   a) In case of fixed percentage of the corpus/ fixed amount, income is accrued over the period of the agreement.

   b) In case of fee based on the returns of the portfolio, income is accounted on each anniversary date specified in the portfolio agreement.

   c) In case of upfront non-refundable fees, income is accounted over a period of time.

Interest income

Interest income on financial assets is recognized on an accrual basis using effective interest rate (EIR). Interest revenue is continued to be recognized at the original effective interest rate.

Dividend income

Dividend income is recognised in standalone statement of profit and loss when the right to receive the dividend is established.

G. Leases :

As Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time patern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the standalone statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Transition to Ind AS 116: Leases:

On March 30, 2019, the Ministry of Corporate Affairs (“MCA”) through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from April 1, 2019 (‘the date of transition’), the Company applied Ind AS 116 retrospectively to all leases previously classified as operating leases with the cumulative effect of initially applying the Standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings at April 1, 2019 (‘the modified retrospective approach’). Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

The Company has recognised a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The Company has measured lease liability at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate at the date of initial application.

The Company has recognised a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The Company has chosen to measure that right-of-use asset at its carrying amount as if the Ind AS 116

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had been applied since the commencement date on a lease by lease basis, but discounted using the lessee's incremental borrowing rate at the date of initial application and adjusted for prepaid or accrued lease payments.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Applying Ind AS 116, for all operating leases (except as indicated below), the Company:

a) Recognises right-of-use assets and lease liabilities in the standalone balance sheet;

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the standalone Statement of Profit and Loss;

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the standalone statement of cash flows

   The Company used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

   - Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
   - Elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of assets and leases for which the underlying asset is of low value on a lease-by-lease basis.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Financial impact of the initial application of Ind AS 116

On transition to Ind AS 116, the Company recognised an additional asset of Rs. 7,406.18 lakhs, related accumulated depreciation amounting to Rs. 2,254.80 as right of use asset and Rs. 5,706.07 lakhs of additional lease liabilities, recognising the difference in retained earnings of 554.68 lakhs (before tax) and the tax impact thereof of INR 193.20 lakhs has also been recognised in retained earnings.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is in range of 8.11% to 8.33%

Impact of the change for the year ended March 31, 2020 is as follows:

(₹ in Lakhs)

Nature	Amount
Increase in Depreciation	1,532.86
Increase in Interest expense	473.28
Decrease in other expense (Rent)	1836.69
Net impact on profit before tax	169.45

As Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the standalone statement of profit and loss on a straight-line basis over the lease term.

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H. Securities Lending and Borrowing

(a) Initial margin and /or additional margin paid over and above the initial margin, for entering into contracts for equity stock which are released on final settlement / squaring – up of the underlying contracts, are disclosed under Trade Payables

(b) On final settlement or squaring up of contracts for equity stocks, the realised profit or loss after adjusting the unrealized loss already accounted, if any, is recognised in the standalone statement of profit and loss.

(c) The Lending and Borrowing fees are recognised on Pro- rata basis over the tenure of the contract.

I. Employee benefits

Defined Contribution Plan –

i) Provident fund - Contribution as required by the Statute made to the Government Provident Fund is debited to the standalone statement of profit and loss.

ii) Superannuation fund - The Company contributes a sum equivalent to 15% of eligible employees' salary subject to a maximum of Rs. 1.00 lakh per eligible employee per annum, to the Superannuation Funds administered by trustees and managed by a Life Insurance Company. The Company recognises such contributions as an expense in the year when an employee renders the related service.

Defined Benefit Plan

Gratuity

Gratuity - The Company has a defined benefit plan for post-employment benefits in the form of gratuity. The Company has formed a Trust "Kotak Securities Employees Gratuity Trust" which has taken group gratuity policies with an insurance company which is funded. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date. Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in standalone statement of profit and loss.

Other Long-term Employee Benefits

Compensated Absences

The company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the company's obligation is determined based on the projected unit credit method as at the Balance Sheet date. Actuarial gains or losses are recognised in the standalone statement of profit and loss in the year in which they arise.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives.

J. Share based payments

i. Employees Stock Options Plans ("ESOPs") - Equity settled

The holding company (Kotak Mahindra Bank Limited) of the company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity settled transactions").

The cost of equity-settled transactions with employees and directors for grants is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised in profit or loss, together with a corresponding increase in reserves, representing contribution received from the holding company, over the period in which the performance and/

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or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

ii. Stock Appreciation Rights (SAR's) -Cash-settled transactions:

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period the employees unconditionally become entitled to payment. The liability is measured at the end of each reporting date up to and including settlement date, with changes in the fair value recognised as salaries, wages and bonus in standalone statement of profit or loss.

K. Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other temporary differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the standalone statement of profit and loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

L. Basic and Diluted Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

M. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement / document.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets

Business model assessment

The Company determines business model in which an asset is held consistent with the way in which business is managed and information provided to management. The information considered in conjunction with objectives of business model include:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile,;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity
- The risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of assessing contractual cash flows, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Subsequent Measurement

Financial assets at amortised cost

A financial asset is measured at amortised cost using the EIR method only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the standalone statement of profit and loss account. The losses if any, arising from impairment are recognised in the standalone statement of profit and loss account.

Financial asset at fair value through Other Comprehensive Income (FVOCI)

a) Debt Instruments

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Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, are recognized through profit and loss account. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the standalone statement of profit and loss

a) Investment in equity instruments

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment- by- investment basis.

After initial measurement, such financial assets are subsequently measured at fair value through OCI. Dividends are recognised as income in standalone statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial asset at fair value through profit and loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss account.

All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL

Financial liabilities and Equity instruments

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised as the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity

Financial liabilities

All financial liabilities are subsequently measured at amortised cost except when designated to be measured at FVTPL

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in standalone statement of profit and loss.

N. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as investment in debentures and bonds, trade receivables, employee loans, margin funding loans, security deposits given, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition.

The Company applies a simplified approach for trade receivables. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on Lifetime ECLs at each reporting date.

Financial assets that are credit impaired at the reporting date:

ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Lifetime ECL)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- **Stage 1: 12 month ECL**

  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (not credit impaired):**

  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

  For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 3: Lifetime ECL (credit impaired):**

  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

  If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

  Manner in which forward looking assumptions has been incorporated in ECL estimates:

  The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

O. Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the standalone statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

P. Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset
- The Company has transferred substantially all the risks and rewards of the asset, but has transferred control of the asset

  On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in standalone statement of profit and loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit and loss account.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in standalone statement of profit and loss.

Q. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

R. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in standalone statement of profit and loss immediately.

S. Borrowing cost

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

T. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as investment in unquoted equity instruments, debentures, preference shares etc.

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

U. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

V. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

W. Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the standalone statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

X. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Y. Trade receivable

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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2 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) Cash on hand	0.83	0.16
(b) In Current Account	22,759.67	2,014.15
Sub total	**22,760.50**	**2,014.31**
Less: Impairment loss allowance	(16.30)	(0.39)
TOTAL	**22,744.20**	**2,013.92**

3 BANK BALANCE OTHER THAN (a) ABOVE

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Bank Balance other than (a) above		
(i) In Fixed Deposits with bank having maturity less than 12 months	4,95,103.01	3,43,858.94
(ii) In Fixed deposit with bank having original maturity of more than 12 months	32,494.04	47.44
Sub total	**5,27,597.05**	**3,43,906.38**
Less: Impairment loss allowance	(330.10)	(114.58)
Total	**5,27,266.95**	**3,43,791.80**
Note:		
Fixed Deposit with bank includes deposits under the lien of :-		
NSE Clearing Limited	3,05,885.23	2,32,886.68
Indian Clearing Corporation Limited	36,409.71	36,854.08
National Stock Exchange Limited	245.32	248.82
Bombay Stock Exchange Limited	34.45	20.50
National Commodity Exchange Limited	23,323.10	15,525.18
Multi Commodity Exchange of India Limited	85,538.20	29,732.79
Bank for guarantees issued	10,275.00	15,000.00
UIDAI	25.00	25.00
	4,61,736.01	**3,30,293.05**

4 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
Equity linked derivatives	1823.25	157.07	44.80	1,08,340.67	224.39	352.27
Total Derivative financial instruments	**1,823.25**	**157.07**	**44.80**	**1,08,340.67**	**224.39**	**352.27**
Part II						
Undesignated derivatives	1,823.25	157.07	44.80	1,08,340.67	224.39	352.27
Total derivative financial instruments	**1,823.25**	**157.07**	**44.80**	**1,08,340.67**	**224.39**	**352.27**

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5 RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Trade receivables:		
Receivables considered good - Secured;	1,96,009.88	1,70,170.95
Receivables considered good - Unsecured	2,610.26	1,484.13
Sub total	**1,98,620.14**	**1,71,655.08**
Less: Impairment loss allowance	(2,811.16)	(2,356.43)
Total	**1,95,808.98**	**1,69,298.65**
Out of which:		
maximum amount outstanding during the year from Directors	49.87	9.92
Due from a Private Limited Company in which a Director of the Company is a Director	0.31	0.57

6 LOANS

(₹ in Lakhs)

Sr No		Particulars	As at 31-Mar-20					
			Amortised Cost	At Fair Value				Total
				Through Other Comprehensive Income"	Through profit or loss	Designated at fair value through profit or loss	Sub total	
			(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)	(i)	Employee Loans	109.71	-	-	-	-	109.71
	(ii)	Margin funding	45,498.72	-	-	-	-	45,498.72
		Total Gross (A)	**45,608.43**	**-**	**-**	**-**	**-**	**45,608.43**
		Less: Impairment loss allowance	(13.92)	-	-	-	-	(13.92)
		Total Net (A)	**45,594.51**	**-**	**-**	**-**	**-**	**45,594.51**
(B)	(i)	Secured by Securities /Shares	45,271.23	-	-	-	-	45,271.23
	(ii)	Unsecured	337.20	-	-	-	-	337.20
		Total Gross (B)	**45,608.43**	**-**	**-**	**-**	**-**	**45,608.43**
		Less: Impairment loss allowance	(13.92)	-	-	-	-	(13.92)
		Total Net (B)	**45,594.51**	**-**	**-**	**-**	**-**	**45,594.51**
(C) (i)		**Loans in India**						
		Employee Loan and Margin Funding	45,608.43	-	-	-	-	45,608.43
		Total Gross (C) (i)	**45,608.43**	**-**	**-**	**-**	**-**	**45,608.43**
		Less: Impairment loss allowance	(13.92)	-	-	-	-	(13.92)
		Total Net (C) (i)	**45,594.51**	**-**	**-**	**-**	**-**	**45,594.51**
(C)(ii)		**Loans outside India**						
		Less: Impairment allowance	-	-	-	-	-	-
		Total Net (C) (ii)	**-**	**-**	**-**	**-**	**-**	**-**
		Total (C) (i+ii)	**45,594.51**	**-**	**-**	**-**	**-**	**45,594.51**

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-19					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income"	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total
		(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)	(i) Employee Loans	112.62	-	-	-	-	112.62
	(ii) Margin funding	58,216.41	-	-	-	-	58,216.41
	Total Gross (A)	**58,329.03**	**-**	**-**	**-**	**-**	**58,329.03**
	Less: Impairment loss allowance	(195.47)	-	-	-	-	(195.47)
	Total Net (A)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**
(B)	(i) Secured by Securities /Shares	58,216.41	-	-	-	-	58,216.41
	(ii) Unsecured	112.62	-	-	-	-	112.62
	Total Gross (B)	**58,329.03**	**-**	**-**	**-**	**-**	**58,329.03**
	Less: Impairment loss allowance	(195.47)	-	-	-	-	(195.47)
	Total Net (B)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**
(C) (i)	**Loans in India**						
	Employee Loan and Margin Funding	58,329.03	-	-	-	-	58,329.03
	Total Gross (C) (i)	**58,329.03**	**-**	**-**	**-**	**-**	**58,329.03**
	Less: Impairment loss allowance	(195.47)	-	-	-	-	(195.47)
	Total Net (C) (i)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**
(C)(ii)	**Loans outside India**						
	Less: Impairment allowance	-	-	-	-	-	-
	Total Net (C) (ii)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (C) (i+ii)	**58,133.56**	**-**	**-**	**-**	**-**	**58,133.56**

7 INVESTMENT

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-20					
			At Fair Value				
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Sub total	Cost	Total
		(1)	(2)	(3)	(4=2+3)	(5)	(6=1+4+5)
(A)	Mutual funds	-	-	50.12	50.12	-	50.12
	Venture funds	-	-	3,909.70	3,909.70	-	3,909.70
	Debt securities	7,500.00	79,843.24	-	79,843.24	-	87,343.24
	Equity instruments*			33,910.84	33,910.84	-	33,910.84
	Subsidiaries	-	-	-	-	585.57	585.57
	Associates	-	-	-	-	36,380.69	36,380.69
	Preference shares	-	-	705.25	705.25		705.25
	Total Gross (A)	**7,500.00**	**79,843.24**	**38,575.91**	**118,419.15**	**36,966.26**	**162,885.41**
	Less: Impairment allowance	(4.50)	-	-	-	-	(4.50)
	Total Net	**7,495.50**	**79,843.24**	**38,575.91**	**118,419.15**	**36,966.26**	**162,880.91**

Schedules

forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-20 At Fair Value Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Sub total	Cost	Total
		(1)	(2)	(3)	(4=2+3)	(5)	(6=1+4+5)
(B)	(i) Investments outside India	-	-	-	-	585.57	585.57
	(ii) Investments in India	7,500.00	79,843.24	38,575.91	118,419.15	36,380.69	162,299.84
	Total (B)	**7,500.00**	**79,843.24**	**38,575.91**	**118,419.15**	**36,966.26**	**162,885.41**
	Less: Impairment allowance	(4.50)	-	-	-	-	(4.50)
	Total Net	**7,495.50**	**79,843.24**	**38,575.91**	**118,419.15**	**36,966.26**	**162,880.91**

* Includes stock in trade of ₹ 7335.56 Lakhs

(₹ in Lakhs)

	Particulars	As at 31-Mar-19 At Fair Value Amortised Cost	Through Other Comprehensive Income"	Through profit or loss	Designated at fair value through profit or loss	Sub total	Total
		(1)	(2)	(3)	(4=2+3)	(5)	(6=1+4+5)
(A)	Mutual funds	-	-	25,063.13	25,063.13	-	25,063.13
	Venture funds		-	193.30	193.30	-	193.30
	Debt securities	7,500.00	78,325.87	-	78,325.87	-	85,825.87
	Equity instruments*			1,09,619.27	1,09,619.27	-	1,09,619.27
	Subsidiaries		-	-	-	585.57	585.57
	Associates		-	-	-	36,380.69	36,380.69
	Preference shares		-	779.90	779.90		779.90
	Total Gross (A)	**7,500.00**	**78,325.87**	**1,35,655.60**	**2,13,981.47**	**36,966.26**	**2,58,447.73**
	Less: Impairment allowance	(2.52)					(2.52)
	Total Net	**7,497.48**	**78,325.87**	**1,35,655.60**	**2,13,981.47**	**36,966.26**	**2,58,445.21**
(B)	(i) Investments outside India	-	-	-	-	585.57	585.57
	(ii) Investments in India	7,500.00	78,325.87	1,35,655.60	2,13,981.47	36,380.69	2,57,862.16
	Total (B)	**7,500.00**	**78,325.87**	**1,35,655.60**	**2,13,981.47**	**36,966.26**	**2,58,447.73**
	Less: Impairment allowance	(2.52)	-	-	-	-	(2.52)
	Total Net	**7,497.48**	**78,325.87**	**1,35,655.60**	**2,13,981.47**	**36,966.26**	**2,58,445.21**

* Includes stock in trade of ₹107,305.39 Lakhs

Bifurcation of Investment

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Quoted	85,695.84	2,09,656.32
unquoted	75,355.78	46,958.83
Total	**1,61,051.63**	**2,56,615.15**
Market Value of Pledged Securities	4,781.16	56,848.26

Schedules

forming part of Balance Sheet and Profit and Loss Account

Investments in Subsidiary and Associates:

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31-Mar-20		As at 31-Mar-19	
		Quantity	Amount	Quantity	Amount
(i) Investment in Equity Instruments					
(a) Investment in Subsidiary (Unquoted, fully paid-up)					
Kotak Mahindra Financial Services Limited	USD 1	12,39,000	585.57	12,39,000	585.57
(incorporated in Dubai, U.A.E.)					
(b) Investment in Associates (Unquoted, fully paid-up)					
Kotak Infrastructure Debt Fund Limited	10	9,30,00,000	9,300.00	9,30,00,000	9,300.00
Kotak Mahindra Prime Limited	10	17,12,600	27,080.69	17,12,600	27,080.69
(ii) Investment in Debentures					
Investment in Associates (Quoted, fully paid-up)					
10.50%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23rd April, 2021)	10,00,000	1,500	15,398.78	1,500	15,411.22
11.00%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23rd September, 2021)	10,00,000	500	5,188.53	500	5,165.80
11.25%,Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 28th September, 2021)	10,00,000	400	4,153.00	400	4,135.01
10.40% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 23rd September, 2022)	10,00,000	250	2,651.04	250	2,611.26
10.50% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 22nd Jun, 2023)	10,00,000	400	4,263.79	400	4,168.13
8.25% Unsecured Non Convertible Debentures of Kotak Mahindra Prime Limited (Date of Redemption on 07th Dec, 2027)	10,00,000	1,000	10,144.74	1,000	10,004.78

As per the requirement of sec 186(4) of the Companies Act 2013, below are the details of Investment in group companies

For the year 2018-19

(₹ in Lakhs)

Particulars	Date of Investment	Maturity date	Qty	Face vale (Rs.)	Amount
10% Secured Redemable Non Convertible Debentures of Phoenix ARC Private Limited	29-03-19	28-04-20	75	1,00,00,000	7,500

8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Deposits	4,632.49	1,240.37
Less: Impairment loss allowance	(5.92)	(2.64)
Total	**4,626.57**	**1,237.73**

Schedules

forming part of Balance Sheet and Profit and Loss Account

9 CURRENT TAX ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Current tax assets		
Advance Income Tax {Net of Provision ₹ 51,387.85 Lakhs (for 2019 ₹ 51,416.60 Lakhs)}	1,358.89	1,369.01
	1,358.89	**1,369.01**
Current tax liabilities		
Income tax payable {Net of Advance Tax Rs. 76,974.68 Lakhs (for 2019 ₹ 60,996.33 Lakhs)}	2,985.58	1,584.17
Net tax Liabilities	**(1,626.69)**	**(215.16)**

10 DEFERRED TAX ASSETS AND LIABILITIES

The following is the components of deferred tax assets / (liabilities) presented in the balance sheet:

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Deferred tax assets	1,726.66	1,841.77
Deferred tax liabilities	(1,365.88)	(1,228.95)
Net deferred Tax Assets / (Liabilities)	**360.78**	**612.82**

* Refer note no.35 for details of deferred tax assets and liabilities.

11 INVESTMENT PROPERTY

A. Reconciliation of carrying amount

(₹ in Lakhs)

Particulars	Amount
Cost or Deemed cost (Gross carrying amount)	
As at 1 April 2018	2,278.45
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2019	2,278.45
Additions during the year	-
Deletions/ disposals	-
As at 31 March 2020	2,278.45
Accumulated depreciation	
As at 1 April 2018	45.29
Charge for the year	45.29
Deletions/ disposals	-
As at 31 March 2019	90.58
Charge for the year	45.29
Deletions/ disposals	-
As at 31 March 2020	135.87
Carrying amounts	
As at 31 March 2019	2,187.87
As at 31 March 2020	2,142.58
Fair value	
As at 31 March 2019	8,176.70
As at 31 March 2020	8,097.71

Schedules

forming part of Balance Sheet and Profit and Loss Account

B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external valuer. The fair value measurement for the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique.

ii. Valuation technique

For the purpose of valuation, the primary valuation methodology used is Income Capitalisation Approach. Income capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate market-based yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

C. Amounts recognised in profit or loss for investment property:

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Rental income derived from investment property	1,005.01	1,005.01
Direct operating expenses of investment property	(35.81)	(35.81)
Income arising from investment properties before depreciation	969.20	969.20
Depreciation	(45.29)	(45.29)
Income arising from investment property (Net)	923.91	923.91

D. Premises given on operating lease:

The Company has given investment property on operating lease. The lease arrangement is for a period of 12 months and is a cancellable lease. The lease is renewable for further periods on mutually agreeable terms.

12 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Buildings (a)	Furniture and fixtures	Vehicles	Office equipment	Computers	Improvements To Leasehold Premises	Right-of-use assets (Premises,Car Parking, IT Equipments)	Amount
Balance as at 01-April-2018	**2,281.24**	**58.29**	**1,265.55**	**762.42**	**2,228.36**	**585.06**	**-**	**7,180.92**
Additions during the year		64.64	448.94	167.38	1,048.25	298.55	-	2,027.76
Disposals during the year		(1.33)	(47.26)	(33.10)	(81.99)	(1.90)	-	(165.58)
Balance as at 31-March-2019	**2,281.24**	**121.60**	**1,667.23**	**896.70**	**3,194.62**	**881.71**	**-**	**9,043.10**
Accumulated depreciation and impairment as on 01-April-2018	**45.36**	**41.67**	**384.53**	**169.87**	**921.88**	**162.27**	**-**	**1,725.58**
Depreciation for the year	45.32	63.40	416.67	203.57	813.50	170.09	-	1,712.55
Disposals during the year		(0.74)	(16.40)	(11.70)	(15.57)	(0.45)	-	(44.86)
Accumulated depreciation and impairment as on 31-March-2019	**90.68**	**104.33**	**784.80**	**361.74**	**1,719.81**	**331.91**	**-**	**3,393.27**
Net carrying amount as on 31-March-2019	**2,190.56**	**17.27**	**882.43**	**534.96**	**1,474.81**	**549.80**	**-**	**5,649.83**
Balance as at 01-April-2019	**2,281.24**	**121.60**	**1,667.23**	**896.70**	**3,194.62**	**881.71**	**7,406.18**	**16,449.28**
Additions during the year	-	54.46	527.62	107.83	1,831.08	139.80	1,178.52	3,839.31
Disposals during the year	-	(1.41)	(170.43)	(4.15)	(0.43)	(1.48)	(182.01)	(359.91)
Balance as at 31-March-2020	**2,281.24**	**174.65**	**2,024.42**	**1,000.38**	**5,025.27**	**1,020.03**	**8,402.69**	**19,928.68**

Schedules

forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Buildings (a)	Furniture and fixtures	Vehicles	Office equipment	Computers	Improvements To Leasehold Premises	Right-of-use assets (Premises,Car Parking, IT Equipments)	Amount
Accumulated depreciation and impairment as on 01-April-2019	**90.68**	**104.33**	**784.80**	**361.74**	**1,719.81**	**331.91**	**2,254.79**	**5,648.06**
Depreciation for the year	45.32	34.76	422.57	205.00	1,100.30	175.78	1,532.86	3,516.59
Disposals during the year	-	(1.34)	(66.55)	(1.26)	(0.20)	-	(182.01)	(251.36)
Accumulated depreciation and impairment as on 31-March-2020	**136.00**	**137.75**	**1,140.82**	**565.48**	**2,819.91**	**507.69**	**3,605.64**	**8,913.29**
Net carrying amount as on 31-March-2020	**2,145.24**	**36.90**	**883.60**	**434.90**	**2,205.36**	**512.34**	**4,797.05**	**11,015.39**

a. Includes value of shares in a co-operative society , aggregating to ₹ 4.00 Lakhs registered in the name of the Company. Further it also includes part of a building given on operating Lease aggregating to ₹ 929.77 Lakhs (Previous Year ₹ 929.77 Lakhs) and the written down value of the assets as on 31st March, 2020 is ₹ 873.27 lakhs (Previous year ₹ 891.73 Lakhs)

13 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software	Total
Balance as at 01-April-2018	**1,369.08**	**1,369.08**
Additions during the year	161.34	161.34
Disposals during the year	(175.21)	(175.21)
Balance as at 31-March-2019	**1,355.21**	**1,355.21**
Accumulated depreciation and impairment as on 01-April-2018	**542.23**	**542.23**
Depreciation for the year	507.93	507.93
Disposals during the year	(175.21)	(175.21)
Accumulated depreciation and impairment as on 31-March-2019	**874.95**	**874.95**
Net carrying amount as on 31-March-2019	**480.26**	**480.26**
Balance as at 31-March-2019	**1,355.21**	**1,355.21**
Additions during the year	254.75	254.75
Disposals during the year		
Balance as at 31-March-2020	**1,609.96**	**1,609.96**
Accumulated depreciation and impairment as on 31-March-2019	**874.95**	**874.95**
Depreciation for the year	360.36	360.36
Disposals during the year		
Accumulated depreciation and impairment as on 31-March-2020	**1,235.31**	**1,235.31**
Net carrying amount as on 31-March-2020	**374.65**	**374.65**

Schedules

forming part of Balance Sheet and Profit and Loss Account

14 OTHER NON FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Capital advances	207.53	213.71
Advance Receivable in cash or kind	159.71	123.90
Advance to suppliers	48.32	1.78
Employee Advance	18.64	13.35
Prepaid expenses	1,633.65	1,309.43
Balances with government authority	1,099.76	2,744.09
Total	**3,167.61**	**4,406.26**

15 PAYABLES

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises (refer note: 47)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,75,017.08	2,96,472.46
Total	**3,75,017.08**	**2,96,472.46**

16 DEBT SECURITIES

(₹ in Lakhs)

Particulars	As at 31-Mar-20			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
Commercial Paper	99,187.49	-	-	99,187.49
Total (A)	**99,187.49**	**-**	**-**	**99,187.49**
Debt securities in India	99,187.49	-	-	99,187.49
Debt securities outside India	-	-	-	-
Total (B)	**99,187.49**	**-**	**-**	**99,187.49**

(₹ in Lakhs)

Particulars	As at 31-Mar-19			
	At Amortised Cost	At Fair Value Through Profit or Loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4 = 1+2+3)
Commercial Paper	1,36,290.68	-	-	1,36,290.68
Total (A)	**1,36,290.68**	**-**	**-**	**1,36,290.68**
Debt securities in India	1,36,290.68	-	-	1,36,290.68
Debt securities outside India	-	-	-	-
Total (B)	**1,36,290.68**	**-**	**-**	**1,36,290.68**

Schedules
forming part of Balance Sheet and Profit and Loss Account

Note:

As at 31-Mar-2020

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	99,187.49	29 days to 92 days	5.45% to 8.00%	Face value of ₹ 225,000 Lakhs	At Maturity

As at 31-Mar-2019

Particulars	Amount Outstanding	Tenure	Rate of Interest	Maximum Outstanding	Repayment Schedule
Commercial Paper (unsecured)	1,36,290.68	30 days to 273 days	6.85% to 8.55%	Face value of ₹ 215,000 Lakhs	At Maturity

17 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
Overdraft from Banks- repayable on demand	11.47	-
(Secured by a pari passu first charge on the stock in trade and trade receivables)		
Total	**11.47**	**-**

18 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Franchisee Deposits	1,796.78	1,633.40
Other Deposits	1,082.42	1,026.18
Advance received for sale of Investments	26,033.36	887.86
Employee Benefits Payable	3,339.56	3,750.70
Payable for Fixed Assets	352.39	139.33
Lease liabilities	5,521.17	-
Total	**38,125.68**	**7,437.47**

19 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Compensated Absences	1,134.73	1,272.66
Provision for Long Service Awards	151.84	158.85
Provision for gratuity (Refer Note: 39)	735.80	421.39
Provision for stock appreciation rights (Refer Note: 40)	1,646.38	1,660.97
Total	**3,668.75**	**3,513.87**

20 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue received in advance	887.75	555.24
Statutory Dues Payable (including PF, Stamp duty, TDS)	2,168.88	1,775.56
Total	**3,056.63**	**2,330.80**

Schedules

forming part of Balance Sheet and Profit and Loss Account

21 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No of Shares	Amount	No of Shares	Amount
a) Authorised				
Equity Shares of ₹ 10 each	60,00,000	600.00	60,00,000	600.00
Preference Shares of ₹ 100 each	10,00,000	1,000.00	10,00,000	1,000.00
		1,600.00		1,600.00
b) Issued, Subscribed and Paid Up				
Equity Shares of ₹10 each fully paid up	16,00,000	160.00	16,00,000	160.00

c) Reconciliation of number of shares outstanding at the beginning and end of the year :

(₹ in Lakhs)

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No of Shares	Amount	No of Shares	Amount
Equity Shares outstanding at the beginning of the year	16,00,000	160.00	16,00,000	160.00
Equity Shares outstanding at the end of the year	16,00,000	160.00	16,00,000	160.00

d) Rights, preferences and restrictions attached to equity shares :

(i) Right to receive dividend as may be approved by the Board / Annual General Meeting.

(ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act.

(iii) Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company

e) Equity shares held by the holding company and its subsidiaries

(₹ in Lakhs)

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No of Shares	Amount	No of Shares	Amount
Kotak Mahindra Bank Limited (Jointly with nominees), Holding Company	11,99,990	120.00	11,99,990	120.00
Kotak Mahindra Capital Company Limited, subsidiary of Holding Company	4,00,010	40.00	4,00,010	40.00
Total	**16,00,000**	**160.00**	**16,00,000**	**160.00**

f) Details of shares held by each shareholder holding more than 5% shares in the company

(₹ in Lakhs)

Name of Shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No of Shares	Amount	No of Shares	Amount
Kotak Mahindra Bank Limited and its nominees	11,99,990	75.00%	11,99,990	75.00%
Kotak Mahindra Capital Company Limited	4,00,010	25.00%	4,00,010	25.00%
Total	**16,00,000**	**100%**	**16,00,000**	**100%**

g) Matters relating to the company's objective, policies and processes for managing capital are disclosed under note No. 42

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22 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Retained earnings	4,28,463.75	3,75,658.17
Securities Premium	2,350.35	2,350.35
General Reserve	17,281.94	17,281.94
Capital Contribution from holding company	4,642.25	3,154.14
Debt instruments through Other comprehensive income	2,503.32	1,264.99
Total	**4,55,241.61**	**3,99,709.59**

22.1 OTHER EQUITY MOVEMENT

Retained Earnings

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance at beginning of the year	3,75,658.17	3,34,973.41
Profit for the year	53,508.34	40,759.57
Impact of adoption of Ind AS 116 (net of deferred tax)	(361.50)	
Remeasurement of Defined benefit plan (net of Tax)	(341.26)	(74.81)
Balance at end of the year	**4,28,463.75**	**3,75,658.17**

Securities Premium

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance at beginning of the year	2,350.35	2,350.35
Balance at end of the year	2,350.35	2,350.35

General Reserve

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance at beginning of the year	17,281.94	17,281.94
Balance at end of the year	**17,281.94**	**17,281.94**

Capital Contribution from holding company

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balance at beginning of the year	3,154.14	1,568.70
Addition during the year	1,488.11	1,585.44
Balance at end of the year	**4,642.25**	**3,154.14**

Debt instruments through Other comprehensive income

Particulars	As at 31-Mar-20	As at 31-Mar-19
Net fair value gain / (loss) Debt instruments through OCI		
Balance at beginning of the year	1,264.99	1,674.45
Movement during the period	1,596.82	(533.82)
Income tax on net fair value gain	(358.49)	124.36
Balance at end of the year	**2,503.32**	**1,264.99**

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22.2 NATURE AND PURPOSE OF RESERVE

Retained Earnings

Surplus in statement of Profit and loss (Retained Earnings) represents surplus/accumulated profit of the company and is available for distribution to shareholders as dividend.

Securities Premium

Securities Premium represents premium received on issue of shares of the Company. This is not available for distribution as dividend to shareholders.

General Reserve

General reserve represents appropriation of surplus in the statement of Profit and loss and is available for distribution to shareholders as dividend.

Capital Contribution from holding company

Capital Contribution from holding company represent the fair value of the employee stock option plan. These options are issued by parent company "Kotak Mahindra Bank Limited" to the employee of the Company. This is a capital reserve and is not available for distribution to shareholders as dividend.

Debt instruments through Other comprehensive income

Other Comprehensive Income represents the cumulative gains and losses arising on the revaluation of instruments measured at fair value through other comprehensive income.

23 INTEREST INCOME

(₹ in Lakhs)

Particulars	31st March, 2020				31st March, 2019			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total Interest Income
Interest income from investments	6,741.95	750.02	-	7,491.97	6,737.19	6.16	-	6,743.35
Interest on deposits with banks	-	25,490.90	-	25,490.90	-	22,931.84	-	22,931.84
Interest on delayed payment by customers	-	14,730.40	-	14,730.40	-	16,488.94	-	16,488.94
Interest on margin funding	-	7,187.91	-	7,187.91	-	7,809.38	-	7,809.38
Other interest income	-	45.95	-	45.95	-	21.04	-	21.04
Total	**6,741.95**	**48,205.18**	**-**	**54,947.13**	**6,737.19**	**47,257.36**	**-**	

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24 DIVIDEND INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Dividend income	779.96	595.06

25 FEES AND COMMISSION INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Income from Brokerage and Commission	91,484.87	86,801.92
Fees Income	20,429.11	19,967.33
Total	**1,11,913.98**	**1,06,769.25**

26 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	10,994.14	7,721.22
- Derivatives	3,090.56	1,722.08
Net gain on financial instruments measured on fair value:	**14,084.70**	**9,443.30**
Fair value changes:		
Realised	13,605.80	8,382.42
Unrealised	478.90	1,060.88
Total Net gain/(loss) on fair value changes (D)	**14,084.70**	**9,443.30**

27 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Liabilities Written Back as no Longer Required	1,134.77	103.66
Net Gain on derecognition of Property, Plant and Equipment	93.58	50.91
Rent	1,080.41	1,080.41
Gain on Foreign Exchange Transactions (net)	11.67	6.03
Miscellaneous Income	1,128.13	514.21
Total	**3,448.56**	**1,755.22**

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28 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Discount on Commercial Paper	-	10,036.80	-	10,373.11
Interest on Bank Overdraft	-	102.98	-	91.53
Bank Guarantee Commission and Other Charges	-	104.78	-	80.39
Interest paid on Margin Money and Others	-	2,721.57	-	2,074.99
Interest expense on lease liability	-	473.28	-	-
Total	**-**	**13,439.41**	**-**	**12,620.02**

29 FEES AND COMMISSION EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Exchange and Depository Charges	8,134.11	6,846.00
Referral fees and Sub brokerage Expense	16,274.36	16,774.00
Total	**24,408.47**	**23,620.00**

30 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020			For the Year Ended 31-Mar-2019		
	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through other Comprehensive income	Total	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through other Comprehensive income	Total
Loans	(181.55)	-	(181.55)	13.07	-	13.07
Investments	1.98	19.43	21.41	2.52	5.55	8.07
Security Deposit	3.28	-	3.28	(0.71)	-	(0.71)
Bank Balance	15.91	-	15.91	0.34	-	0.34
Fixed Deposit	215.52		215.52	20.05		20.05
Receivables	422.83	-	422.83	1,489.10	-	1,489.10
Total	**477.97**	**19.43**	**497.40**	**1,524.37**	**5.55**	**1,529.92**

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31 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Salaries and Wages	30,815.08	29,863.47
Contribution to Provident and Other Funds (Refer Note No. 39)	1,589.21	1,417.18
Share Based Payments to employees (Refer Note No. 40)	2,749.91	3,232.60
Gratuity (Refer Note No. 39)	439.37	402.84
Compensated Absences (Refer Note No. 39)	(49.46)	141.17
Staff Welfare Expenses	576.40	617.73
Total	**36,120.51**	**35,674.99**

32 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Depreciation of property plant and equipment pertaining to continuing operations	1,983.73	1,712.55
Depreciation of investment property	45.29	45.29
Amortisation of intangible assets	360.36	507.94
Depreciation on Right of use asset	1,532.86	-
Total depreciation and amortisation expenses	**3,922.24**	**2,265.78**

33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Rent, taxes and energy costs	12,925.54	13,097.56
Repairs and Maintenance - Others	4,761.93	3,618.88
Insurance	236.10	187.32
Communication Costs	2,087.32	2,273.50
Printing and Stationery	385.34	579.57
Office Expenses	727.73	821.80
Advertisement and publicity	2,531.70	3,648.71
Director's fees, allowances and commission (Refer Note below)	24.70	21.20
Audit Fees and expenses	128.16	122.04
Legal and Professional charges	3,224.16	2,255.57
Travelling, Conveyance and Motor Car Expense	1,746.03	1,748.55
Membership and Subscription	1,020.09	1,051.26
Donations	10.50	2.47
Contribution towards Corporate Social Responsibility (Refer Note No. 45)	631.46	422.00
Common Establishment Expenses-Reimbursement	1,996.49	2,477.81

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(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Loss on Account of Trades Not Confirmed by Clients, Error Trades and Other Settlements Cost (net)	873.24	192.51
Service Charges	321.75	281.73
Miscellaneous expenses	523.01	802.24
Total	**34,155.25**	**33,604.72**
Remuneration to Auditors		
(a) For audit	125.00	110.00
(b) For other services	1.00	10.00
(c) For reimbursement of expenses	2.16	2.04
Total	**128.16**	**122.04**

Note - Commission to Independent Directors of ₹12 Lakhs (Previous year ₹12 Lakhs) is subject to approval of the members of the company at the ensuing Annual General Meeting of the Company

34 EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Sr No	Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
A)	Profit attributable to Equity holders of Company		
	Profit attributable to equity holders (₹ In lakhs)	53,508.34	40,759.57
B)	**Weighted average number of ordinary shares**		
	Number of shares at the beginning of the year	16,00,000	16,00,000
	Weighted average number of shares at the end of the year	**16,00,000**	**16,00,000**
C)	**Face value per share**	**10.00**	**10.00**
D)	**Basic and Diluted earnings per share**	**3,344.27**	**2,547.47**

35 TAX EXPENSE

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Current tax expense		
Current period	18,955.90	23,191.33
Current tax pertaining to prior periods	(4.33)	2.90
Total current tax expense (A)	**18,951.57**	**23,194.23**
Deferred tax expense		
Origination and reversal of temporary differences	171.14	(711.85)
Deferred tax expense (B)	171.14	(711.85)
Tax expense for the year (A)+(B)	**19,122.71**	**22,482.38**

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(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020			Year Ended 31-Mar-2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
- Remeasurements of defined benefit liability (asset)	(425.64)	84.38	(341.26)	(115.00)	40.19	(74.81)
Items that will be reclassified to profit or loss						
- Debt instruments through other comprehensive income	1,596.82	(358.49)	1,238.33	(533.82)	124.36	(409.46)
Total	**1,171.18**	**(274.11)**	**897.07**	**(648.82)**	**164.55**	**(484.27)**

(c) Reconciliation of effective tax rate

Particulars	Year Ended 31-Mar-2020		Year Ended 31-Mar-2019	
	₹ in Lakhs		₹ in Lakhs	
Profit before tax	**72,631.05**		**63,241.95**	
Tax using the Company's domestic tax rate (Current year % Previous Year %)	18,279.78	25.168%	22,099.27	34.944%
Reduction in tax rate				
Tax effect of:				
Tax impact of income not subject to tax	(561.31)	-0.773%	(1,599.11)	-2.529%
Tax effects of amounts which are not deductible for taxable income	1,150.99	1.585%	1,189.26	1.880%
Effect of different tax rate	86.14	0.119%	790.06	1.249%
Changes in estimated related to prior years	(4.33)	-0.006%	2.90	0.005%
Impact of change in Tax rate	171.44	0.236%		
Total income tax expenses	**19,122.71**	**26.220%**	**22,482.38**	**35.801%**

(d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020					
	Net balance 1-Apr-19	Recognised in profit or loss	Recognised in OCI	Net Closing	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
On Depreciation, impairment and amortisation	23.28	7.47	-	30.75	30.75	-
Interest Accrued on Debentures/Bonds	(443.89)	123.74	-	(320.15)	-	(320.15)
Employee benefits	1,025.12	(409.56)	84.38	699.94	699.94	-
Fair Value (Gain)/loss on Investment	(785.06)	109.39	(358.49)	(1,034.15)	-	(1,034.15)
Impairment on Financial Assets	654.13	(95.68)	-	558.45	558.45	-
Lease	-	(11.58)	-	(11.58)	-	(11.58)
Impact of adoption of Ind AS 116 *	193.20			193.20	193.20	-
Others	139.24	105.08	-	244.32	244.32	-
Total	**806.02**	**(171.14)**	**(274.11)**	**360.78**	**1,726.66**	**(1,365.88)**

* Deferred tax impact of adoption of Ind AS 116 as on 01st April 2019 is given directly in retained earnings.

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(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2019					
	Net balance 31-Mar-18	Recognised in profit or loss	Recognised in OCI	Net Closing	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
On Depreciation, impairment and amortisation	(39.07)	62.35	-	23.28	23.28	-
Interest Accrued on Debentures/ Bonds	(437.34)	(6.55)	-	(443.89)	-	(443.89)
Employee benefits	859.88	125.05	40.19	1,025.12	1,025.12	-
Fair Value (Gain)/loss on Investment	(850.23)	(59.19)	124.36	(785.06)	-	(785.06)
Impairment on Financial Assets	120.31	533.82	-	654.13	654.13	-
Others	82.88	56.36	-	139.24	139.24	-
Total	**(263.57)**	**711.84**	**164.55**	**612.82**	**1,841.77**	**(1,228.95)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of future taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Unrecognised Deferred tax Asset is not recognised on the below mentioned carry forward of long term capital loss

Tax Loss carried Forward

(₹ in Lakhs)

Particulars	31-Mar-20	Expiry date	31 March 2019	Expiry date
Long term Capital Loss	15,053.05	2021-22	15,835.94	2021-22
Long term Capital Loss	304.50	2022-23	304.50	2022-23
Long term Capital Loss	657.72	2026-27		
Total	**16,015.27**		**16,140.44**	

36 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-20	As at 31-Mar-19
I	**Contingent Liabilities shall be classified as:**		
a)	Claims against the company not acknowledged as debt	582.99	484.17
b)	Income tax matters	**3,522.75**	**3,560.89**
c)	Service tax matters	**2,429.57**	**2,533.60**
d)	Bank Guarantees given as collateral for margins to various stock exchanges against Fixed Deposit of Rs. 10,000 Lakhs (Previous Year Rs. 15,025.00 Lakhs)	**19,525.00**	**29,975.00**
e)	Bank Guarantees given to Department of Telecomunication against Fixed Deposit of Rs. 300 Lakhs (Previous Year Rs. Nil Lakhs)	200.00	-
II	**Other Commitments shall be classified as:**		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for;	706.12	587.39
b)	Uncalled liability on shares and investments partly paid	53,129.50	9.00
	Total	**80,095.93**	**37,150.05**

Note: In respect of items mentioned in I ((a), (b) and (c)) above till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained. The Company is confident of successfully defending the demands and does not expect any outflow on these counts. Further, the demands are disputed and the Company has preferred an appeal against the said demands.

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37 RELATED PARTY DISCLOSURE

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosure' are given below:

A. Names of Related Parties

Sr No	Particulars
(a)	**Holding company/Parent Company:**
	Kotak Mahindra Bank Limited (Holds 74.99% of the equity share capital)
	(Mr. Uday S. Kotak, along with relatives and companies controlled
	by him, holds 29.92% (Previous Year 29.99%) of the equity share
	capital and 19.65 % of the paid-up share capital of KMBL)
(b)	**Subsidiary**
	Kotak Mahindra Financial Services Limited
(c)	**Fellow subsidiary:**
	Kotak Mahindra Capital Company Limited
	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra General Insurance Company Limited
	Kotak Mahindra Investments Limited
	Kotak Investment Advisors Limited
	Kotak Mahindra Life Insurance Company Limited
	Kotak Mahindra Inc.
	Kotak Mahindra (UK) Limited
	Kotak Mahindra International Limited
(d)	**Entities over which holding company has significant influence**
	Phoenix ARC Private Limited
(e)	**Associate Company:**
	Kotak Mahindra Prime Limited
	Kotak Infrastructure Debt Fund Limited
(f)	**Entities over which director/key management personnel/relatives of key management personnel has significant influence**
	Aero Agencies Limited
	Kotak Commodity Services Private Limited
	Matrix Business Services India Private Limited (Till 26th April 2019)
	Infina Finance Private Limited
	ECA Trading Services Limited (Formerly Known as ACE Derivatives and
	Commodity Exchange Limited)
	Business Standard Private Limited
(g)	**Key Management Personnel**
	Mr. Narayan S. A (Chairman)
	Mr. K.V.S. Manian (Non Executive Director)
	Mr.Jaideep Hansraj, Managing Director (From 15th July 2019)
	Mr. Kamlesh Rao Managing Director (Till 18th August 2019)
	Mr. Ravi Iyer Managing Director (Till 27th November 2019)

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Sr No	Particulars
	Mr Noshir Dastur (Independent Director)
	Mrs. Falguni Nayar (Independent Director)
(h)	**Key Management Personnel of Holding Company**
	Mr. Uday Kotak - Managing Director & CEO
	Mr. Dipak Gupta-Joint Managing Director
	Mr. K.V.S. Manian Director (From Nov 1, 2019)
	Mr. Gaurang Shah Director (From Nov 1, 2019)
(i)	**Relatives of Key Management Personnel/Persons having significant influence**
	Mrs. Rekha Narayan (wife of Mr. Narayan S.A.)
	Mr. Suresh Kotak (father of Mr. Uday Kotak)
	Mr Jay Kotak (son of Mr. Uday Kotak)
	Mr. A.K.S Mani (father of Mr. Narayan S A)
	Mrs. Archana Jaideep Hansraj (wife of Mr. Jaideep Hansraj)
	Mrs. Aarti Neal Chandaria (sister of Mr. Uday Kotak)
(j)	**Post Employment Benefits Plan**
	Kotak Securities Limited Employees Gratuity Fund

Transactions with key management personnel

The table below describes the compensation to key management personnel which comprise directors and executive officers under Ind AS 24:

(a) Key management personnel compensation

(₹ in Lakhs)

Sr No	Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
i.	Short-term employee benefits	940.15	600.91
ii.	Post-employment defined benefit	18.47	9.36
iii.	Shared based payments	519.26	390.55
	Total	**1,477.88**	**1,000.82**

(b) Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
I. Holding Company		
-Kotak Mahindra Bank Limited (KMBL)		
Transactions during the year :		
Purchase of Bonds	7,573.12	4,334.27
Sale of Bonds	2,543.57	-

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(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Fixed Deposits Placed	5,11,137.88	4,31,326.25
Fixed Deposits Repaid	4,58,846.73	4,30,152.36
Interest Received on Fixed Deposits	864.59	1,028.33
Deemed Capital Contribution (Refer note no. 22.1)	1,488.11	1,585.44
Brokerage Earned	29.08	1.55
Fee Income	0.01	0.02
Expense reimbursements paid	2,368.55	2,064.87
Expense reimbursements received	299.23	47.76
Rent expense	2,372.17	2,194.91
Other Expenses	8,586.72	7,163.35
Rent income	1,005.01	1,005.01
Fixed Asset Purchased	12.06	1.00
Bank Guarantee	200.00	-
II. Subsidiary		
Kotak Mahindra Financial Services Limited		
Transactions during the year :		
Expense reimbursements paid	128.92	217.60
III. Fellow Subsidiaries		
Transactions during the year :		
Investments Redeemed		
- Kotak Mahindra Asset Management Company Limited	-	-
Interest on Non Convertible Debentures		
- Kotak Mahindra Investments Limited	1,556.92	1,555.50
Fee Income		
- Kotak Mahindra Asset Management Company Limited	41.91	135.46
- Kotak Mahindra Capital Company Limited	2,709.49	2,416.61
- Kotak Mahindra Investments Limited	0.32	0.32
Expense reimbursement to other company		
- Kotak Investment Advisors Limited	28.55	4.20
- Kotak Mahindra Asset Management Company Limited	-	2.51
- Kotak Mahindra Capital Company Limited	331.86	312.26
- Kotak Mahindra Inc	11.92	466.67
- Kotak Mahindra Investments Limited	-	5.88
- Kotak Mahindra (UK) Limited	1,119.00	1,147.04

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(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Expense reimbursement from other company		
- Kotak Investment Advisors Limited	0.38	2.16
- Kotak Mahindra Asset Management Company Limited	21.60	23.37
- Kotak Mahindra Capital Company Limited	98.09	124.79
- Kotak Mahindra Investments Limited	0.07	-
- Kotak Mahindra Life Insurance Company Limited	12.00	3.08
- Kotak Mahindra General Insurance Company Limited	7.94	6.99
Other Expenses		
- Kotak Mahindra Capital Company Limited	361.15	2,057.34
- Kotak Mahindra Life Insurance Company Limited	40.64	33.32
- Kotak Mahindra General Insurance Company Limited	60.70	42.00
- Kotak Mahindra Inc	805.92	-
- Kotak Mahindra (UK) Limited	3.42	-
Other Income		
- Kotak Mahindra Life Insurance Company Limited	11.12	15.58
Rent expense		
- Kotak Mahindra Capital Company Limited	23.21	21.84
Rent Income		
- Kotak Mahindra Capital Company Limited	67.55	67.55
- Kotak Mahindra Investments Limited	7.86	7.86
Brokerage Earned		
- Kotak Investment Advisors Limited	-	-
- Kotak Mahindra Asset Management Company Limited	-	44.34
- Kotak Mahindra International Limited	54.09	57.26
- Kotak Mahindra Investments Limited	67.66	24.29
- Kotak Mahindra Life Insurance Company Limited	226.24	217.44
IV. Entities over which holding company has significant influence		
Phoenix ARC Private Limited		
Transactions during the year :		
Non Convertible Debentures Subscribed	-	7,500.00
Interest On Debentures	750.02	6.16
V. Associate Company		
Transactions during the year :		
Transactions during the year		
Dividend on Equity shares		

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
- Kotak Mahindra Prime Limited	10.28	10.28
Non Convertible Debentures Subscribed		
- Kotak Mahindra Prime Limited	-	-
Non Convertible Debentures Redeemed		
- Kotak Mahindra Prime Limited	-	-
Interest On Debentures		
- Kotak Mahindra Prime Limited	4,084.06	4,080.00
Brokerage Earned		
- Kotak Mahindra Prime Limited	3.23	1.17
Fee Income		
- Kotak Mahindra Prime Limited	0.01	0.01
Expense reimbursement to other company		
- Kotak Mahindra Prime Limited	0.15	-
VI. Key Management Personnel (KMP)		
Transactions during the year :		
Brokerage Earned		
- Narayan S A	2.76	0.16
- Kamlesh Rao	0.59	0.69
- Ravi Iyer	0.09	0.48
- K V S Manian	1.33	-
- Jaideep Hansraj	2.07	-
Director's sitting fees and commission		
- Mr Noshir Dastur *	14.20	9.20
- Mrs. Falguni Nayar *	10.50	12.00
VII. KMP of holding company		
Mr. Uday S. Kotak		
Transactions during the year :		
Transactions during the year :		
Brokerage Earned	-	-
Rent expense	8.24	8.24
VIII. Relatives of Key Management Personnel/Persons having significant influence		
Transactions during the year :		
Transactions during the year :		
Brokerage Earned		
- Archana Jaideep Hansraj	0.04	-
- Rekha Narayan	0.23	-
Fee Income		
- Aarti Neal Chandaria	0.02	-

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
IX. Entities over which relative of director has significant influence		
Transactions during the year :		
Deposits Taken		
- Kotak Commodity Services Private Limited	3.15	-
Deposits Repaid		
- Kotak Commodity Services Private Limited	1.46	5.47
Brokerage Earned		
- Infina Finance Private Limited	170.43	293.49
- Kotak Commodity Services Private Limited	21.08	2.31
Fee Income		
- Infina Finance Private Limited	0.03	0.03
- Kotak Commodity Services Private Limited	22.76	360.06
Expense reimbursement from other company		
- Infina Finance Private Limited	0.68	0.64
- Kotak Commodity Services Private Limited	-	181.97
Expense reimbursement from other company		
- Kotak Commodity Services Private Limited	-	4.24
Other Expenses		
- Aero Agencies Limited	0.10	-
- Matrix Business Services India Private Ltd	-	1.09
- Kotak Commodity Services Private Limited	-	201.07
- Business Standard Private Limited	6.50	-
Rent Expense		
- Infina Finance Private Limited	2.61	2.61
Rent Income		
- ECA Trading Services Limited	0.60	0.60

*Note - Commission to Independent Directors is subject to approval of the members of the company at the ensuing Annual General Meeting of the Company

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
I. Holding Company		
-Kotak Mahindra Bank Limited (KMBL)		
Bank Balance	19,361.90	700.87
Term Deposits Placed	61,499.28	9,208.13
Interest accrued on Term Deposits placed	46.68	21.41

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Payable-Secondary	3,411.79	119.19
Payable (Others)	268.94	876.13
Deemed Capital Contribution	4,642.25	3,154.14
II. Subsidiary		
Kotak Mahindra Financial Services Limited		
Investments in Shares	585.57	585.57
Payable (Others)	1.24	17.76
III. Fellow Subsidiaries		
Non Convertible Debentures Subscribed		
- Kotak Mahindra Investments Limited	18,672.22	17,736.60
Interest Accrued on Non Convertible Debentures		
- Kotak Mahindra Investments Limited	202.35	200.93
Receivable-Secondary		
- Kotak Mahindra Capital Company Limited	0.09	0.05
- Kotak Mahindra International Limited	2.98	0.31
- Kotak Mahindra Life Insurance Company Limited	18.06	12.00
- Kotak Mahindra Investments Limited		
Payable-Secondary		
- Kotak Mahindra Investments Limited	372.65	275.29
Receivable (Others)		
- Kotak Mahindra Asset Management Company Limited	0.27	15.16
- Kotak Mahindra Capital Company Limited	260.12	327.39
- Kotak Mahindra Investments Limited	0.71	207.86
- Kotak Mahindra Life Insurance Company Limited	5.09	4.00
- Kotak Mahindra (Uk) Limited	34.82	-
- Kotak Mahindra General Insurance Company Limited	1.41	-
Payable (Others)		
- Kotak Investment Advisors Limited	0.33	3.41
- Kotak Mahindra Inc	126.02	75.96
- Kotak Mahindra (UK) Limited	-	92.23
IV Entities over which holding company has significant influence		
Phoenix ARC Private Limited		
Non Convertible Debentures Subscribed	7,495.50	7,497.48
Interest Accrued On Debenture	6.16	6.16

Schedules

forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
V. Associate Company		
Investment in Equity share		
- Kotak Infrastructure Debt fund Limited	9,300.00	9,300.00
Non Convertible Debentures Subscribed		
- Kotak Mahindra Prime Limited	41,799.88	41,496.20
Interest Accrued On Debenture		
- Kotak Mahindra Prime Limited	1,049.63	1,053.15
Investments in Shares		
- Kotak Mahindra Prime Limited	27,080.69	27,080.69
Receivable-Secondary		
- Kotak Mahindra Prime Limited	0.02	-
Payable (Others)		
- Kotak Mahindra Prime Limited	0.15	-
VI. Key Management Personnel (KMP)		
Payable-Secondary		
- Narayan S A	540.54	9.11
- Kamlesh Rao	0.05	133.38
- Ravi Iyer	-	0.01
- Mr Noshir Dastur	6.00	6.20
- Mrs. Falguni Nayar	6.00	6.20
VII. KMP of holding company		
Mr. Uday S. Kotak		
Payable (Others)	0.69	-
Receivable-Secondary		
- Suresh Kotak	0.03	0.02
- Jay Kotak	0.02	0.01
- Archana Jaideep Hansraj	0.01	-
Payable-Secondary		
- Indira Suresh Kotak	-	0.01
- Rekha Narayan	0.01	0.01

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Particulars	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
VIII. Entities over which relative of director has significant influence		
Deposits Paid		
- Kotak Commodity Services Private Limited	-	3.15
Deposits Taken		
- Infina Finance Private Limited	0.26	0.26
- Kotak Commodity Services Private Limited	-	1.46
Receivable-Secondary		
- Kotak Commodity Services Private Limited	0.70	22.51
- Komaf Financial Services Limited	-	-
Payable-Secondary		
- Infina Finance Private Limited	559.67	28.42
Receivable (Others)		
- Infina Finance Private Limited	0.31	0.57
- ECA Trading Services Limited	0.32	0.16
- Kotak Commodity Services Private Limited	-	6.12
IX. Post Employment Benefits Plan		
Kotak Securities Limited Employees Gratuity Fund *		

*** Kindly refer note 39 for details**

38 LEASE

1 Leases

The Company leases several assets including premises, Car Parking, VSAT. The lease term range from 1.5 years to 10 years. The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by lease arrangements There are escalation clauses in the lease agreements.

2 As a lessee

Property, plant and equipment' comprise owned and leased assets that do not meet the definition of investment property

(₹ in Lakhs)

	Note No.	As at 31st March 2020
Property, plant and equipment owned	12	6,218.34
Right-of-use assets	12	4,797.05

The Company leases several assets including premises, IT equipment's, etc. Information about the leases for which the Company is a lessee is presented below:

Schedules

forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Right-of-use assets	Premises	Car Parking	IT Equipments	Total
Gross Block				
Opening Balance as at April 1, 2019	7,367.80	5.80	32.58	7,406.18
Additions during the year	1,178.52	-	-	1,178.52
Disposals during the year	182.01	-	-	182.01
Closing Balance as at March 31, 2020	**8,364.31**	**5.80**	**32.58**	**8,402.69**
Accumulated Depreciation				
Opening Balance as at April 1, 2019	2,239.73	2.46	12.60	2,254.79
Depreciation for the year	1,520.04	1.94	10.88	1,532.86
Disposals during the year	182.01	-	-	182.01
Closing Balance as at March 31, 2020	**3,577.76**	**4.40**	**23.48**	**3,605.64**
Net Block	**4,786.55**	**1.40**	**9.10**	**4,797.05**

3 **Amounts recognised in profit and loss**

(₹ in Lakhs)

	Year Ended 31st March 2020
Interest expense on lease liabilities	473.28
Expense relating to leases of low value assets	2,608.53
Expense relating to short-term leases	73.71

4 **Amounts recognised in statement of cash flows**

The total cash outflow for leases amount to INR 1836.69 Lakhs

5 **Maturity analysis**

(₹ in Lakhs)

	Year Ended 31st March 2020
Not later than 1 year	1,772.20
Later than 1 year and not later than 5 years	3,860.21
Later than 5 years	1,067.88

The company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the company's treasury function.

6 **Short term leases and Leases of low value assets**

The Company has elected not to recognise right of use assets and lease liabilities for short term leases of premises that have a lease term of 12 months or less and leases of low value assets. The company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

7 **Impact on Financial Statements**

On transition to Ind AS 116, the Company recognised an additional INR 7406.18 Lakhs of right of use asset and INR 5706.06 Lakhs of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is in range of 8.11% to 8.33%

Schedules

forming part of Balance Sheet and Profit and Loss Account

A reconciliation of the operating lease commitments at March 31, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

(₹ in Lakhs)

Operating lease commitments disclosed as at 31 March 2019	**687.83**
Discounted using the incremental borrowing rate at 1 April 2019	(687.83)
Add/(less): adjustments as a result of a different treatment of extension and termination options	5,706.07
Lease liabilities recognized as at 1 April 2019	**5,706.07**

8 The Company uses the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.

- Applied the exemption not to recognise right of use asset and liabilities for leases with less than 12 months of lease term.

- Excluded initial direct costs from measuring the right of use asset at the date of initial application.

- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

39 EMPLOYEE BENEFITS

A. The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised Rs. 1,475.14 lakhs (previous year Rs. 1,290.14 lakhs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised Rs. 1.15 lakhs (previous year Rs. 2.25 lakhs) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of Rs. 20 lakhs. (Previous Year Rs. 20 lakhs). The gratuity benefit is provided through funded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date."

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Present value of funded defined benefit obligation (A)	2,970.98	2,647.89
Fair value of plan assets (B)	(2,235.18)	(2,226.50)
Net (asset) / liability recognised in the Balance Sheet (A-B)	735.80	421.39

Schedules

forming part of Balance Sheet and Profit and Loss Account

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in Lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Opening balance	2,647.89	2,339.86	2,226.50	1,740.22	421.39	599.64
Included in profit or loss					-	-
Current service cost	430.69	379.17			430.69	379.17
Past service cost					-	-
Interest cost (income)	171.95	166.59	163.27	142.92	8.68	23.67
	3,250.53	**2,885.62**	**2,389.77**	**1,883.14**	**860.76**	**1,002.48**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions		(0.73)			-	(0.73)
Financial assumptions	(11.87)	123.84			(11.87)	123.84
Experience adjustment	122.34	40.28			122.34	40.28
Actual return on plan assets less interest on plan assets		-	(315.17)	48.39	315.17	(48.39)
	110.47	**163.39**	**(315.17)**	**48.39**	**425.64**	**115.00**
Other						
Contributions paid by the employer		-	564.38	713.41	(564.38)	(713.41)
Benefits paid	(403.80)	(418.44)	(403.80)	(418.44)	-	-
Liabilities assumed / (settled)*	13.78	17.32		-	13.78	17.32
Closing balance	2,970.98	2,647.89	2,235.18	2,226.50	735.80	421.39
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	2,970.98	2,647.89	2,235.18	2,226.50	735.80	421.39

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Discount rate	6.40%	7.15%
Salary escalation rate	0.00% until year 1 inclusive, then 7.00%	7.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Impact of change in assumptions	As at 31-Mar-20		As at 31-Mar-19	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(96.76)	110.79	(83.82)	89.23
Future salary growth (0.5% movement)	**83.94**	**(76.93)**	**67.18**	**(65.58)**

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Risk exposure

A decrease in Government Securities yield will increase plan liabilities. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

D. Expected Future Cash Flows

Expected contribution:

There is no compulsion on the part of the Company to pre fund the liability of the plan. The Company's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

The expected contribution payable to the plan next year is Rs. 600 Lakhs

Expected future benefit payments:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

(₹ in Lakhs)

Maturity profile	Mar-20	Mar-19
Expected benefits for Year 1	500.02	486.06
Expected benefits for Year 2	402.21	378.95
Expected benefits for Year 3	324.21	325.29
Expected benefits for Year 4	302.12	279.05
Expected benefits for Year 5	249.53	250.65
Expected benefits for Year 6	232.44	195.09
Expected benefits for Year 7	220.44	208.29
Expected benefits for Year 8	213.33	188.24
Expected benefits for Year 9	222.33	188.31
Expected benefits for Year 10 and above	2,448.56	2,273.75

Asset information

(₹ in Lakhs)

Particulars	31st March 2020	31st March 2019
Insurer managed funds	100%	100%

Schedules

forming part of Balance Sheet and Profit and Loss Account

40 SHARE-BASED PAYMENT ARRANGEMENTS

A. Description of share-based payment arrangements

i. Share option plans (equity-settled)

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, ("the Bank"), the shareholders of the Bank had unanimously passed Special Resolutions on 5th July, 2007, 21st August, 2007 and 29th June, 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

(a) Kotak Mahindra Equity Option Scheme 2007; and

(b) Kotak Mahindra Equity Option Scheme 2015

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank (IVBL) with the Bank, the Bank has renamed and adopted the ESOP Schemes of the erstwhile IVBL, as given below:

(a) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007

(b) Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010; and

(c) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013"

Consequent to the above, the Bank has granted stock options to employees of the Company.

As at 31st March, 2020

Scheme	Grant Date	Vesting period	Exercise period	Expected life (Years)	Exercise Price (INR)
ESOP 2015-02					
C	19-May-16	Equity settled	-	30-Jun-19	3.62
D	19-May-16	Equity settled	4,320	30-Nov-19	3.87
ESOP 2015-03					
A	19-May-16	Equity settled	-	01-Jan-20	3.86
ESOP 2015-05					
A	10-Aug-16	Equity settled	-	15-Aug-19	3.39
B	10-Aug-16	Equity settled	17,000	15-Aug-20	4.39
ESOP 2015-07					
B	15-May-17	Equity settled	26,900	31-Oct-19	2.96
C	15-May-17	Equity settled	93,768	30-Jun-20	3.63
D	15-May-17	Equity settled	93,768	31-Dec-20	4.13
ESOP 2015-11					
A	06-Sep-17	Equity settled	-	30-Apr-19	2.15
B	06-Sep-17	Equity settled	-	30-Apr-20	3.15
C	06-Sep-17	Equity settled	-	31-Oct-20	3.65
ESOP 2015-14					
A	18-May-18	Equity settled	-	31-Jul-19	1.71
B	18-May-18	Equity settled	1,99,884	31-Oct-20	2.95
C	18-May-18	Equity settled	1,33,256	30-Jun-21	3.62
D	18-May-18	Equity settled	1,33,256	31-Dec-21	4.12
ESOP 2015-19					
A	20-May-19	Equity settled	1,87,479	31-Jul-20	1.70
B	20-May-19	Equity settled	1,87,479	31-Oct-21	2.95
C	20-May-19	Equity settled	1,24,986	30-Jun-22	3.62
D	20-May-19	Equity settled	1,24,986	31-Dec-22	4.12

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As at 31st March, 2019

Scheme Reference	Grant Date	Method of Settlement Accounting	No of Share Options outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
ESOP 2007-47					
D	09-May-15	Equity settled	27,818	31-Dec-18	4.15
ESOP 2015-02					
C	19-May-16	Equity settled	57,012	30-Jun-19	3.62
D	19-May-16	Equity settled	57,012	30-Nov-19	3.87
ESOP 2015-03					
A	19-May-16	Equity settled	20,000	01-Jan-20	3.86
ESOP 2015-05					
A	10-Aug-16	Equity settled	19,000	15-Aug-19	3.39
B	10-Aug-16	Equity settled	19,000	15-Aug-20	4.39
ESOP 2015-07					
B	15-May-17	Equity settled	1,54,602	31-Oct-19	2.96
C	15-May-17	Equity settled	1,03,068	30-Jun-20	3.63
D	15-May-17	Equity settled	1,03,068	31-Dec-20	4.13
ESOP 2015-11					
A	06-Sep-17	Equity settled	2,640	30-Apr-19	2.15
B	06-Sep-17	Equity settled	2,640	30-Apr-20	3.15
C	06-Sep-17	Equity settled	2,720	31-Oct-20	3.65
ESOP 2015-14					
A	18-May-18	Equity settled	2,30,040	31-Jul-19	1.71
B	18-May-18	Equity settled	2,30,040	31-Oct-20	2.95
C	18-May-18	Equity settled	1,53,360	30-Jun-21	3.62
D	18-May-18	Equity settled	1,53,360	31-Dec-21	4.12

Schedules
forming part of Balance Sheet and Profit and Loss Account

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

As at 31st March, 2020

Scheme	Grant Date	Vesting period		Exercise period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (₹.)	
		From	To	From	To	From	To			From	To		From	To	From	To
2007-47	09-May-15	1.40	3.65	1.90	4.15	1.65	3.90	665.00	664.75	7.91%	8.07%	0.07%	27.61%	29.29%	267.02	473.14
2015-02	19-May-16	1.37	3.53	1.87	3.87	1.62	3.70	710.00	708.90	7.25%	7.46%	0.07%	26.85%	27.96%	134.08	229.80
2015-03	19-May-16	3.62	3.62	3.87	3.87	3.75	3.75	710.00	708.90	7.46%	7.46%	0.07%	27.28%	27.28%	231.24	231.24
2015-05	10-Aug-16	3.01	4.02	3.39	4.39	3.20	4.21	765.00	764.75	7.04%	7.13%	0.07%	26.75%	28.05%	225.33	261.42
2015-07	15-May-17	1.30	3.63	1.79	4.13	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84
2015-11	06-Sep-17	1.65	3.15	2.15	3.65	1.90	3.40	988.40	988.4	6.39%	6.55%	0.06%	19.76%	34.28%	166.29	324.06
2015-14	18-May-18	1.20	3.62	1.71	4.12	1.45	3.87	1,271.00	1,270.70	7.44%	7.99%	0.06%	18.68%	32.95%	184.60	465.70
2015-19	20-May-19	1.20	3.62	1.70	4.12	1.45	3.87	1,460.00	1,460.00	6.63%	7.03%	0.05%	21.16%	31.00%	230.35	508.28

As at 31st March, 2019

Scheme	Grant Date	Vesting period		Exercise period		Expected life(Years)		Exercise Price(INR)	Market price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (₹)	
		From	To	From	To	From	To			From	To		From	To	From	To
2007-44	09-May-14	1.39	3.65	1.90	4.15	1.65	3.90	812.00	812.00	8.73%	8.89%	0.10%	28.53%	30.17%	171.64	303.42
2007-47	09-May-15	1.40	3.65	1.90	4.15	1.65	3.90	665.00	664.75	7.91%	8.07%	0.07%	27.61%	29.29%	267.02	473.14
2015-02	19-May-16	1.37	3.53	1.87	3.87	1.62	3.70	710.00	708.90	7.25%	7.46%	0.07%	26.85%	27.96%	134.08	229.80
2015-03	19-May-16	3.62	3.62	3.86	3.86	3.75	3.75	710.00	708.90	7.46%	7.46%	0.07%	27.28%	27.28%	231.24	231.24
2015-05	10-Aug-16	3.01	4.02	3.39	4.39	3.20	4.21	765.00	764.75	7.04%	7.13%	0.07%	26.75%	28.05%	225.33	261.42
2015-07	15-May-17	1.30	3.63	1.79	4.13	1.54	3.88	955.00	954.65	6.64%	6.95%	0.06%	20.74%	35.44%	145.98	349.84
2015-11	06-Sep-17	1.65	3.15	2.15	3.65	1.90	3.40	988.40	988.4	6.39%	6.55%	0.06%	19.76%	34.28%	166.29	324.06
2015-14	18-May-18	1.20	3.62	1.71	4.12	1.45	3.87	1,271.00	1,270.70	7.44%	7.99%	0.06%	18.68%	32.95%	184.60	465.70

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2020.

(₹ in Lakhs)

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of Kotak Mahindra Bank Limited's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

C. Reconciliation of outstanding share options

Activity in the options outstanding under the employee's stock option Scheme as at 31st March, 2020

Scheme	Grant Date	31-Mar-20								31-Mar-19							
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year	Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOP 2007 - 44	09-May-14	-	-	-	-	-	-	-		29756		-29756				-	
ESOP 2007 - 47	09-May-15	27,818	-	(27,818)	-	-	-	-	-	1,32,576		(1,03,322)			(1,436)	27,818	27,818
ESOP 2015 - 02	19-May-16	1,14,024	-	(1,16,666)	20,316	-	(13,354.00)	4,320	4,320	2,08,603		(92,077)	518		(3,020)	1,14,024	
ESOP 2015 - 03	19-May-16	20,000	-	-	-	-	(20,000.00)	-	-	40,000					(20,000)	20,000	
ESOP 2015 - 05	10-Aug-16	38,000	-	(19,000)	-	-	(2,000.00)	17,000	-	38,000						38,000	
ESOP 2015 - 07	15-May-17	3,60,738	-	(1,13,752)	41,489	-	(74,039.00)	2,14,436	26,900	5,28,010		(1,57,145)	1,020	(616)	(10,531)	3,60,738	
ESOP 2015 - 11	06-Sep-17	8,000	-	(2,640)	-	-	(5,360.00)	-	-	8,000						8,000	
ESOP 2015 - 14	18-May-18	7,66,800	-	(2,31,660)	72,670	(816.00)	(1,40,598.00)	4,66,396	-	-	7,85,120				(18,320)	7,66,800	
ESOP 2015 - 19	20-May-19	-	7,14,560	-	-	-	(89,630.00)	6,24,930	-	-						-	
Total		**13,35,380**	**7,14,560**	**(5,11,536)**	**1,34,475**	**(816)**	**(3,44,981)**	**13,27,082**	**31,220**	**9,84,945**	**7,85,120**	**(3,82,300)**	**1,538**	**(616)**	**(53,307)**	**13,35,380**	**27,818**

** This represents transfer of employees within Bank and its subsidiaries*

The weighted average share price at the date of exercise for stock options exercised during the year was Rs. 1,582.60 (Previous year: Rs. 1,262.98).

The details of exercise price for stock options outstanding at the end of the year are:

	31st March, 2020				31st March, 2019		
ESOP Scheme	**Range of exercise prices (Rs.)**	**Number of options outstanding**	**Weighted average remaining contractual life of options (in years)**	**Weighted average exercise price (Rs.)**	**Number of options outstanding**	**Weighted average remaining contractual life of options (in years)**	**Weighted average exercise price (Rs.)**
ESOP 2007 - 47	601-700	-	-	-	27,818	0.25	665.00
ESOP 2015 - 02/03/05	701-800	21,320	0.60	753.86	1,72,024	0.98	722.15
ESOP 2015 - 07/11	901-1000	2,14,436	0.89	955.00	3,68,738	1.61	955.72
ESOP 2015 - 14	1201-1300	4,66,396	1.61	1,271.00	7,66,800	2.08	1,271.00
ESOP 2015 - 19	1401-1500	6,24,930	2.08	1,460.00	-	-	-

Schedules

forming part of Balance Sheet and Profit and Loss Account

ii. Stock Appreciation Rights (SAR's) (cash-settled)

During the year, the management had approved SARs to be granted to eligible employees as and when deemed fit. The SARs are to be settled in cash and will vest in the manner as provided in the scheme / grant letters to employees. The Company under its various plans / series has granted 1,07,480 SARs during FY 2019- 20. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 0.25 years to 2.79 years

As at 31st March, 2020

Scheme reference	Grant Date	Mode of settlement accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/09	15-05-17	Cash settled	7	31-10-19	2.46
2015/09	15-05-17	Cash settled	7	07-11-19	2.48
2015/09	15-05-17	Cash settled	7	14-11-19	2.50
2015/09	15-05-17	Cash settled	6203	30-06-20	3.13
2015/09	15-05-17	Cash settled	6203	07-07-20	3.15
2015/09	15-05-17	Cash settled	6258	14-07-20	3.17
2015/09	15-05-17	Cash settled	6203	31-12-20	3.63
2015/09	15-05-17	Cash settled	6203	07-01-21	3.65
2015/09	15-05-17	Cash settled	6258	14-01-21	3.67
2015/17	18-05-18	Cash settled	15	31-07-19	1.20
2015/17	18-05-18	Cash settled	15	07-08-19	1.22
2015/17	18-05-18	Cash settled	15	14-08-19	1.24
2015/17	18-05-18	Cash settled	10916	31-10-20	2.46
2015/17	18-05-18	Cash settled	11774	07-11-20	2.48
2015/17	18-05-18	Cash settled	11774	14-11-20	2.50
2015/17	18-05-18	Cash settled	7282	30-06-21	3.12
2015/17	18-05-18	Cash settled	7852	07-07-21	3.14
2015/17	18-05-18	Cash settled	7842	14-07-21	3.16
2015/17	18-05-18	Cash settled	7282	31-12-21	3.62
2015/17	18-05-18	Cash settled	7852	07-01-22	3.64
2015/17	18-05-18	Cash settled	7842	14-01-22	3.66
2015/22	20-05-19	Cash settled	9877	31-07-20	1.20
2015/22	20-05-19	Cash settled	10114	07-08-20	1.22
2015/22	20-05-19	Cash settled	10114	14-08-20	1.24
2015/22	20-05-19	Cash settled	9877	31-10-21	2.45
2015/22	20-05-19	Cash settled	10114	07-11-21	2.47
2015/22	20-05-19	Cash settled	10114	14-11-21	2.49
2015/22	20-05-19	Cash settled	6582	30-06-22	3.12
2015/22	20-05-19	Cash settled	6744	07-07-22	3.13

Schedules

forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant Date	Mode of settlement accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/22	20-05-19	Cash settled	6744	14-07-22	3.15
2015/22	20-05-19	Cash settled	6582	31-12-22	3.62
2015/22	20-05-19	Cash settled	6744	07-01-23	3.64
2015/22	20-05-19	Cash settled	6744	14-01-23	3.66
2015/25	19-07-19	Cash settled	667	31-07-21	2.04
2015/25	19-07-19	Cash settled	667	07-08-21	2.05
2015/25	19-07-19	Cash settled	667	14-08-21	2.07
2015/25	19-07-19	Cash settled	667	31-07-22	3.04
2015/25	19-07-19	Cash settled	667	07-08-22	3.05
2015/25	19-07-19	Cash settled	667	14-08-22	3.07
2015/25	19-07-19	Cash settled	889	31-07-23	4.04
2015/25	19-07-19	Cash settled	889	07-08-23	4.05
2015/25	19-07-19	Cash settled	890	14-08-23	4.07

As at 31st March, 2019

Scheme reference	Grant Date	Mode of settlement accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/04	19-May-16	Cash settled	776	30-06-19	3.12
2015/04	19-May-16	Cash settled	776	07-07-19	3.13
2015/04	19-May-16	Cash settled	802	14-07-19	3.15
2015/04	19-May-16	Cash settled	776	30-11-19	3.53
2015/04	19-May-16	Cash settled	776	07-12-19	3.55
2015/04	19-May-16	Cash settled	802	14-12-19	3.57
2015/04	19-May-16	Cash settled	4317	07-07-19	3.13
2015/04	19-May-16	Cash settled	4317	14-07-19	3.15
2015/04	19-May-16	Cash settled	4318	21-07-19	3.17
2015/04	19-May-16	Cash settled	4317	07-12-19	3.55
2015/04	19-May-16	Cash settled	4317	14-12-19	3.57
2015/04	19-May-16	Cash settled	4318	21-12-19	3.59
2015/09	15-May-17	Cash settled	7923	31-10-19	2.46
2015/09	15-May-17	Cash settled	7923	07-11-19	2.48
2015/09	15-May-17	Cash settled	7923	14-11-19	2.50
2015/09	15-May-17	Cash settled	5283	30-06-20	3.13
2015/09	15-May-17	Cash settled	5283	07-07-20	3.15

Schedules
forming part of Balance Sheet and Profit and Loss Account

Scheme reference	Grant Date	Mode of settlement accounting	No of SARs outstanding	Vesting conditions / Dates	Contractual life of the options (Yrs)
2015/09	15-May-17	Cash settled	5280	14-07-20	3.17
2015/09	15-May-17	Cash settled	5283	31-12-20	3.63
2015/09	15-May-17	Cash settled	5283	07-01-21	3.65
2015/09	15-May-17	Cash settled	5280	14-01-21	3.67
2015/09	15-May-17	Cash settled	2225	31-10-19	2.46
2015/09	15-May-17	Cash settled	2225	07-11-19	2.48
2015/09	15-May-17	Cash settled	2225	14-11-19	2.50
2015/09	15-May-17	Cash settled	1463	30-06-20	3.13
2015/09	15-May-17	Cash settled	1463	07-07-20	3.15
2015/09	15-May-17	Cash settled	1524	14-07-20	3.17
2015/09	15-May-17	Cash settled	1463	31-12-20	3.63
2015/09	15-May-17	Cash settled	1463	07-01-21	3.65
2015/09	15-May-17	Cash settled	1524	14-01-21	3.67
2015/17	18-May-18	Cash settled	8817	31-07-19	1.20
2015/17	18-May-18	Cash settled	9453	07-08-19	1.22
2015/17	18-May-18	Cash settled	9453	14-08-19	1.24
2015/17	18-May-18	Cash settled	8817	31-10-20	2.46
2015/17	18-May-18	Cash settled	9453	07-11-20	2.48
2015/17	18-May-18	Cash settled	9453	14-11-20	2.50
2015/17	18-May-18	Cash settled	5878	30-06-21	3.12
2015/17	18-May-18	Cash settled	6302	07-07-21	3.14
2015/17	18-May-18	Cash settled	6302	14-07-21	3.16
2015/17	18-May-18	Cash settled	5878	31-12-21	3.62
2015/17	18-May-18	Cash settled	6302	07-01-22	3.64
2015/17	18-May-18	Cash settled	6302	14-01-22	3.66
2015/17	18-May-18	Cash settled	3256	31-07-19	1.20
2015/17	18-May-18	Cash settled	3256	07-08-19	1.22
2015/17	18-May-18	Cash settled	3256	14-08-19	1.24
2015/17	18-May-18	Cash settled	3256	31-10-20	2.46
2015/17	18-May-18	Cash settled	3256	07-11-20	2.48
2015/17	18-May-18	Cash settled	3256	14-11-20	2.50
2015/17	18-May-18	Cash settled	2177	30-06-21	3.12
2015/17	18-May-18	Cash settled	2174	07-07-21	3.14
2015/17	18-May-18	Cash settled	2161	14-07-21	3.16

Schedules

forming part of Balance Sheet and Profit and Loss Account

The fair values were calculated using a Black-Scholes Model. The inputs were as follows:

As at 31st March, 2020

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price(INR)	Weighted average share price	Risk free rate		Annual Dividend yield	Volatility		Fair value per option (₹)
		From	To	From	To			From	To		From	To	From
2015/9	15-May-17	0.25	0.79	0.25	0.79	-	1,293.70	4.31%	4.74%	0.06%	38.78%	58.10%	1293.071293.50
2015/17	18-May-18	0.59	1.79	0.59	1.79	-	1,293.70	4.59%	5.18%	0.06%	31.65%	42.98%	1292.27-1293.23
2015/22	20-May-19	0.33	2.79	0.33	2.79	-	1,293.70	4.38%	5.40%	0.06%	27.74%	51.43%	1291.47-1293.43
2015/25	19-Jul-19	1.33	3.37	1.33	3.37	-	1,293.70	5.04%	5.59%	0.06%	26.49%	33.75%	1291.00-1292.63

As at 31st March, 2019

Scheme	Grant Date	Vesting period		Expected life (Years)		Exercise Price (INR)	Weighted average share price	Risk free rate		Annual Dividend yield	Volatility		Fair value per SARs (INR)
		From	To	From	To			From	To		From	To	From
2015/4	19-May-16	0.25	0.71	0.25	0.71	-	1,334.50	6.25%	6.44%	0.05%	19.74%	27.53%	1334.001334.32
2015/9	15-May-17	0.59	1.79	0.59	1.79	-	1,334.50	6.39%	6.65%	0.05%	22.31%	28.06%	1333.24-1334.09
2015/17	18-May-18	0.33	2.79	0.33	2.79	-	1,334.50	6.29%	6.74%	0.05%	21.03%	27.91%	1332.54-1334.27

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2020.

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of Kotak Mahindra Bank Limited's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.

Schedules
forming part of Balance Sheet and Profit and Loss Account

Reconciliation of Stock Appreciation Rights (cash-settled)

Scheme	Grant Date	31-Mar-20							31-Mar-19						
		Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year	Outstanding at the start of the year	Granted during the year	Exercised during the year	Net Transfer In/ (Out)*	Lapsed during the year	Forfeited during the year	Outstanding at the end of the year
2015/17	18-May-18	1,24,970	-	(36,990.00)	7,990		(14,785)	81,185	-	1,29,640	-	390		(5,060)	1,24,970
2015/22	20-May-19	-	1,00,810		6,950		(8,134)	99,626							-
2015/25	22-Jul-19	-	6,670				-	6,670							-
2015/4	19-May-16	30,612		(29,618.00)	2,578		(3,572)	-	55,622		(23,751)	140		(1,399)	30,612
2015/9	15-May-17	71,036	-	(27,975.00)	7,441		(13,153)	37,349	1,05,490		(31,431)	220		(3,243)	71,036
2015/03	26-Oct-15								2,575	-	(2,575)			-	-
2015/04	09-May-15								40,048	-	(39,152)			(896)	-
2015/14	24-Oct-17								4,710	-	-			(4,710)	-
Total		**2,26,618**	**1,07,480**	**(94,583)**	**24,959**	**-**	**(39,644)**	**2,24,830**	**2,08,445**	**1,29,640**	**(96,909)**	**750**		**(15,308)**	**2,26,618**

** This represents transfer of employees within Bank and its subsidiaries*

Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

₹ In Lakhs

	31st March 2020	31st March 2019
Total Employee compensation cost pertaining to share-based payment plans	2,749.91	3,232.60
Compensation cost pertaining to equity-settled employee share-based payment plan included above	1,488.11	1,585.44
Closing balance of liability for cash-settled options	1,646.38	1,660.97
Total intrinsic value of liabilities for vested benefits	**1,647.39**	**1,661.82**

Schedules

forming part of Balance Sheet and Profit and Loss Account

41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilties:

The following table shows the carrying amounts of Financial Assets and Financial Liabilities which are classified as Fair value through Profit and Loss (FVTPL), Fair value through other comprehensive Income (FVTOCI) and Amortised Cost.

(₹ in lakhs)

Particulars	As at 31st March 2020					As at 31st April 2019				
	FVTPL	FVTOCI	Amortised cost	Cost	Total	FVTPL	FVTOCI	Amortised cost	Cost	Total
Financial assets										
Cash and cash equivalents	-	-	22,744.20	-	22,744.20	-	-	2,013.92	-	2,013.92
Bank Balance other than cash and cash equivalent	-	-	5,27,266.95	-	5,27,266.95	-	-	3,43,791.80	-	3,43,791.80
Derivative financial instruments	157.07	-	-	-	157.07	224.39	-	-	-	224.39
Receivables:										
Trade receivables	-	-	1,95,808.98	-	1,95,808.98	-	-	1,69,298.65	-	1,69,298.65
Loans										
Receivable from clients- Margin funding	-	-	45,485.51	-	45,485.51	-	-	58,021.67	-	58,021.67
Loans given to Employees			109.00	-	109.00	-	-	111.89	-	111.89
Investments	38,575.91	79,843.24	7,495.50	36,966.26	1,62,880.91	1,35,655.60	78,325.87	7,497.48	36,966.26	2,58,445.21
Other financial assets	-	-	4,626.57		4,626.57	-	-	1,237.73	-	1,237.73
Total financial assets	**38,732.98**	**79,843.24**	**8,03,536.71**	**36,966.26**	**9,59,079.19**	**1,35,879.99**	**78,325.87**	**5,81,973.14**	**36,966.26**	**8,33,145.26**
Financial liabilities										
Derivative financial instruments	44.80	-	-	-	44.80	352.27	-	-	-	352.27
Payables										
Trade Payables	-	-	3,75,017.08	-	3,75,017.08	-	-	2,96,472.46	-	2,96,472.46
Debt securities	-	-	99,187.49	-	99,187.49	-	-	1,36,290.68	-	1,36,290.68
Other Financial liabilities	-	-	38,125.68	-	38,125.68	-	-	7,437.47	-	7,437.47
Total financial liabilities	**44.80**	**-**	**5,12,330.25**	**-**	**5,12,375.05**	**352.27**	**-**	**4,40,200.61**	**-**	**4,40,552.88**

Schedules

forming part of Balance Sheet and Profit and Loss Account

B. Fair value hierarchy:

Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, are presented below.

(₹ in lakhs)

Particulars	As at 31st March 2020				As at 31st April 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Loans								
Investments at FVTPL								
- Mutual funds	50.12	-	-	50.12	25,063.13	-	-	25,063.13
- Preference shares	-	-	705.25	705.25	-	-	779.90	779.90
- Equity instruments	7,636.27	25,928.16	346.41	33,910.84	1,08,099.88	1,519.39	-	1,09,619.27
(a) NSE LIMITED	-	25,928.16	-	25,928.16	-	1,519.39	-	1,519.39
(b) FABINDIA Overseas Private Limited	-	-	346.41	346.41	-	-	-	-
(c) Listed	7,636.27	-	-	7,636.27	1,08,099.88	-	-	1,08,099.88
- Venture Funds	-	3,909.70	-	3,909.70	-	193.30	-	193.30
- Derivatives	157.07	-	-	157.07	224.39	-	-	224.39
Investments at FVOCI				-				-
- Debentures	-	79,843.24	-	79,843.24	-	78,325.87	-	78,325.87
Total financial assets	**7,843.46**	**1,09,681.10**	**1,051.66**	**1,18,576.22**	**1,33,387.40**	**80,038.56**	**779.90**	**2,14,205.86**
Financial liabilities								
Derivative financial instruments	44.80	-	-	44.80	352.27	-	-	352.27
Total financial liabilities	**44.80**	**-**	**-**	**44.80**	**352.27**	**-**	**-**	**352.27**

Particulars	As at 31st March 2020				As at 31st April 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Loans								
- Receivable from clients-Margin funding	-	-	45,485.51	45,485.51	-	-	58,021.67	58,021.67
- Loans given to Employees	-	-	115.09	115.09	-	-	112.13	112.13
Investments								
- Non Convertible Debentures	-	7,518.76	-	7,518.76	-	7,600.77	-	7,600.77
Other financial assets								
- Other financial assets	-	-	4,632.49	4,632.49	-	-	1,240.48	1,240.48
Total financial assets	**-**	**7,518.76**	**50,233.09**	**57,751.85**	**-**	**7,600.77**	**59,374.28**	**66,975.05**

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Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

	As at 31-Mar-20		As at 31-Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans				
- Loans given to Employee	109.00	115.09	111.89	112.13
Investments				
- Debentures	7,495.50	7,518.76	7,497.48	7,600.77
Other financial assets				
- security deposit	4,632.49	4,632.49	1,240.37	1,240.48
	12,236.99	**12,266.35**	**8,849.74**	**8,953.38**

The carrying amounts of Cash and cash equivalents, Bank Balance other than cash and cash equivalent, trade receivables, other deposits, trade payable, debt securities and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Reconciliation of Level 3 fair value measurement

(₹ in Lakhs)

Particulars	As at 01-Apr-19	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at 31-Mar-20
Investments in Preference Shares	779.90	(74.65)	-	-	-	705.25
Investment in Equity Shares	-	239.02	13,453.20	13,345.81	-	346.41

(₹ in Lakhs)

Particulars	As at 01-Apr-18	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at 31-Mar-19
Investments in Preference Shares	786.09	(6.19)	-	-	-	779.90

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Sensitivity analysis of Level 3 financial instruments measured at fair value on a recurring basis

(₹ in lakhs)

Particulars	2020		2019	
	Increase	Decrease	Increase	Decrease
Investment in unquoted preference shares				
(a) Company Specific Risk Premium (CSRP) 100 bps increase in CSRP-2019 leads to a 4.2 % decrease in the concluded fair value. 100 bps decrease in CSRP leads to a 4.8 % increase in the concluded fair value.	NA	NA	37.44	(32.76)
(b) Long Term Growth Rate (LTGR) 100 bps increase in LTGR-2019 leads an increase of 2.1 % in the concluded fair value 100 bps decrease in LTGR leads to 1.9 % decrease in the concluded fair value.	NA	NA	16.38	(14.82)
(c) If multiple increase by 0.25x, The Equity Value will increase by 3.7% and Vice Versa	26.09	(26.09)	NA	NA
(d) If EBITDA goes up by 5%, The Equity Value will increase by 3.4% and Vice Versa	23.98	(23.98)	NA	NA

C. Measurement of fair values

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity instruments (Classified as level 2)	The equity instruments have been fair valued based on prices that are quoted by counterparties while entering into agreements to buy and sell these shares.	Not Applicable	Not Applicable
Investment in mutual funds	The fair values of investments in mutual funds is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable

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Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Venture funds	The fair values of investments in venture capital funds is based on the net asset value ('NAV') as stated by the issuers of these venture capital fund units	Not Applicable	Not Applicable
Investment in equity instruments (Classified as level 3)	The fair values of Investments in these equity instruments is based on marketable approach	Not Applicable	Not Applicable
Investment in preference shares (Classified as level 3)	The fair value is determined using generally accepted pricing models based on discounted cash flow	"Interest rates to discount future cash flow, financial Projections, terminal growth rate, risk premium, Net Realisable Value of the assets/liabilities and other appropriate multiples"	Significant increase/ decrease in the discount factor, financial projections, growth rate, risk premium, NRV of assets/liabilities etc. would entail corresponding change in the valuation of equity shares.
Investment in debentures (Classified as level 2)	The fair values have been calculated using the discounted cash flow approach discounted at a rate which include yield curves and interest spreads available in public domain	Not Applicable	Not Applicable

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal models and consequently for the purposes of level disclosures categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate.
Security Deposits	For security deposits , the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Transfers between Level 1 and Level 2

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during FY 2019-20.

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Currency risk ;
- Liquidity risk ; and
- Market risk

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E. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A) Market Risk

(i) Price Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the equity prices and other market changes that affect market risk sensitive instruments. The Company is exposed to equity and derivative price risk which arises from companies trading in these securities.

(₹ in lakhs)

	Year Ended 31-Mar-2020	
	Increase	Decrease
Equity (2% on the overall portfolio considering the hedge positions)	678.22	(678.22)
Mutual funds (1%)	0.50	(0.50)
Venture funds (1%)	39.10	(39.10)
Debt securities (1%)	798.43	(798.43)
Derivative Financial Instruments (2% on the overall portfolio considering the hedge positions)	2.25	(2.25)
	1,518.50	**(1,518.50)**

(₹ in lakhs)

	Year Ended 31-Mar-2019	
	Increase	Decrease
Equity (2% on the overall portfolio considering the hedge positions)	2,192.39	(2,192.39)
Mutual funds (1%)	250.63	(250.63)
Venture funds (1%)	1.93	(1.93)
Debt securities (1%)	783.26	(783.26)
Derivative Financial Instruments (2% on the overall portfolio considering the hedge positions)	(2.56)	2.56
	3,225.65	**(3,225.65)**

(ii) Interest Risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

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(iii) Currency Risk

The company undertakes transactions denominated in foreign currency which are subject to risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency are also subject to reinstatement risks.

Exposure to currency risk

The carrying amounts of foreign currency denominated financial assets and liabilities are as follows: -

(₹ in lakhs)

	As at 31-Mar-20			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	352.50		3.67	36.31
	352.50	-	3.67	36.31
Financial liabilities				
Payable	209.32	-		
	209.32	-	-	-

(₹ in lakhs)

	As at 31-Mar-19			
	USD	SGD	EURO	GBP
Financial assets				
Receivable	168.24		25.03	23.48
	168.24	-	25.03	23.48
Financial liabilities				
Payable	232.14	0.72	-	-
	232.14	0.72	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below foreign currencies as at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the functional currency of the Company (INR).

(₹ in lakhs)

Effect in INR	Year Ended 31-Mar-2020			
	Profit or loss		Profit or loss, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	1.43	(1.43)	1.07	(1.07)
EUR1	0.04	(0.04)	0.03	(0.03)
GBP1	0.36	(0.36)	0.27	(0.27)
	1.83	**(1.83)**	**1.37**	**(1.37)**

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(₹ in lakhs)

Effect in INR	Year Ended 31-Mar-2019			
	Profit or loss		Profit or loss, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	(0.64)	0.64	(0.42)	0.42
EUR1	0.25	(0.25)	0.16	(0.16)
GBP1	0.23	(0.23)	0.15	(0.15)
SG	(0.01)	0.01	(0.00)	0.00
	(0.17)	**0.17**	**(0.11)**	**0.11**

B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

a) The following financial assets represents the maximum credit exposure:

(₹ in Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Loan to employees	109.71	112.62
Margin Funding	45,498.72	58,216.41
Trade Receivables	1,98,620.14	1,71,655.08
Cash and Bank Balance	5,50,357.55	3,45,920.69
Investments	87,343.24	85,825.87
Other Financial Assets	4,632.49	1,240.37
Total Net	**8,86,561.85**	**6,62,971.04**

Trade Receivables and Margin Funding

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Trade Receivables and Margin Funding						
Neither past due nor impaired						
Past due 1–30 days	-	2,04,755.77	2,04,755.77	-	1,98,077.25	1,98,077.25
Past due 31–60 days	-	14,585.63	14,585.63	-	10,236.94	10,236.94
Past due 61–90 days	-	8,429.92	8,429.92	-	8,747.30	8,747.30
Past due 90 days	-	16,347.54	16,347.54	-	12,810.00	12,810.00
Loss allowance	-	(2,824.37)	(2,824.37)	-	(2,551.17)	(2,551.17)
Carrying Amount	**-**	**2,41,294.49**	**2,41,294.49**	**-**	**2,27,320.33**	**2,27,320.33**

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Particulars	As at 31-Mar-20			As at 31-Mar-19		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Loan to Employees						
Current	109.71		109.71	112.62	-	112.62
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(0.71)	-	(0.71)	(0.73)	-	(0.73)
Carrying Amount	**109.00**	**-**	**109.00**	**111.89**	**-**	**111.89**
Other Financial Assets						
Current	4,632.49		4,632.49	1,240.37	-	1,240.37
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(5.92)	-	(5.92)	(2.64)	-	(2.64)
Carrying Amount	**4,626.57**	**-**	**4,626.57**	**1,237.73**	**-**	**1,237.73**
Cash and Bank Balance						
Current	5,50,357.55		5,50,357.55	3,45,920.69	-	3,45,920.69
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(346.40)	-	(346.40)	(114.97)	-	(114.97)
Carrying Amount	**5,50,011.15**	**-**	**5,50,011.15**	**3,45,805.72**	**-**	**3,45,805.72**
Investment at Amortised cost						
Current	7,500.00	-	7,500.00	7,500.00	-	7,500.00
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(4.50)	-	(4.50)	(2.52)	-	(2.52)
Carrying Amount	**7,495.50**	**-**	**7,495.50**	**7,497.48**	**-**	**7,497.48**

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The following table sets out the information about the credit quality of financial assets measured at fair value through other comprehensive income (FVOCI).

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	12-month ECL	Lifetime ECL not credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Total
Current	76,615.76	-	76,615.76	76,680.38	-	76,680.38
Past due 1–30 days	-	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due 90 days	-	-	-	-	-	-
Loss allowance	(47.05)	-	(47.05)	(27.62)	-	(27.62)
Sub Total	76,568.71	-	76,568.71	76,652.76	-	76,652.76
Fair Value Adjustment	3,274.53	-	3,274.53	1,673.11	-	1,673.11
Carrying Amount	**79,843.24**	**-**	**79,843.24**	**78,325.87**	**-**	**78,325.87**

Inputs considered in the ECL model:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and including forward looking information.

In assessing the impairment of loan assests under Expected Credit Loss(ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The Company categorises loan assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables. The Company has historic credit loss data to compute ECL.

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as significant increase in credit risk if on the reporting date, it has been 30 days past due.

Definition of default:

The Company considers a financial instrument defaulted when the counterparty fails to make the contractual payments within 90 days of the due date. This definition of default is determined by considering the business environment in which the company operates and other macro-economic factors. Accordingly the financial assets shall be classified as credit impaired if on the reporting date, it has been 90 days past due.

Policy for write-off:

Receivables which are not recoverable in the opinion of management are written off."Assumption considered in the ECL model:

Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD)is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.

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- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company."

Forward looking information:

The Company incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, domestic credit growth, money market interest rate etc as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

b. Collaterals held and concentrations of credit risk
Collaterals held

The company holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

(₹ in lakhs)

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at 31-Mar-20	As at 31-Mar-19	
Trade Receivables and Margin Funding	98.23%	99.13%	Equity Shares

Concentration of credit risk

The Company, in some situations, may be exposed to concentration of credit risk, particularly from some of its larger clients or groups of connected clients.This may arise during the period from recognition of fee income in the income statement and settlement of fees by clients. Very few clients have external credit ratings.

ii. Impairment loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

(₹ in lakhs)

Particulars	Past due 1–30 days	Past due 31–90 days	Past due 90 days and above	Total
Trade Receivables and Margin Funding				
Balance as at April 1, 2018	**336.00**	**887.33**	**1,122.29**	**2,345.62**
Net remeasurement of loss allowance	262.83	(340.58)	1,401.97	1,324.22
New financial assets originated during the year	869.00	294.13	274.06	1,437.19
Financial assets that have been derecognised during the period	(187.00)	(480.59)	(291.64)	(959.23)
Write off's/write back			(1,596.62)	(1,596.62)
Balance as at March 31, 2019	**1,280.83**	**360.29**	**910.06**	**2,551.18**
Net remeasurement of loss allowance	(86.27)	52.56	891.24	857.53
New financial assets originated during the year	443.70	207.55	391.21	1,042.46
Financial assets that have been derecognised during the period	(1,078.31)	(288.35)	(292.04)	(1,658.70)
Write off's/write back			31.90	31.90
Balance as at March 31, 2020	**559.95**	**332.05**	**1,932.37**	**2,824.37**

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Particulars	Exposure	Loss Allowance	Net Amount
Receivables considered good - Secured;	1,96,009.88	200.90	1,95,808.98
Receivables considered good - Unsecured	2,610.26	2,610.26	-
Total	**1,98,620.14**	**2,811.16**	**1,95,808.98**

Particulars	Cash and Bank Balances	Other financial assets	Loan to Employees	Investments at FVOCI	Investments at Amortised cost
Balance as at April 1, 2018	87.54	10.38	0.64	22.08	-
Net remeasurement of loss allowance	27.43	(7.74)	0.09	5.54	-
New financial assets originated during the year	-	-	-	-	2.52
Balance as at March 31, 2019	114.97	2.64	0.73	27.62	2.52
Net remeasurement of loss allowance	231.43	3.28	(0.02)	19.43	-
New financial assets originated during the year	-	-	-	-	1.98
Balance as at March 31, 2020	**346.40**	**5.92**	**0.71**	**47.05**	**4.50**

C) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per requirements. The company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-20						
		Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
	Non-derivative financial liabilities							
1	Commercial Papers	99,187.49	99,187.49	99,187.49				
2	Trade and other Payables	375,017.08	375,017.08	375,017.08				
3	Other Financial Liabilities	38,125.68	39,304.81	30,434.63	1,062.88	2,501.09	1,359.12	3,947.08
4	Borrowings (Other than Debt Securities)	11.47	11.47	11.47				
	Carrying Amount	**512,341.72**	**513,520.85**	**504,650.67**	**1,062.88**	**2,501.09**	**1,359.12**	**3,947.08**

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-19						
		Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
	Non-derivative financial liabilities							
1	Commercial Papers	136,290.68	136,290.68	136,290.68	-	-		-
2	Trade and other Payables	296,472.46	296,472.46	296,472.46	-	-		-
3	Other Financial Liabilities	7,437.47	7,437.47	4,777.90	-	-		2,659.57
	Carrying Amount	**440,200.61**	**440,200.61**	**437,541.04**	**2,125.77**	**5,002.18**	**2,718.24**	**2,659.57**

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Note: 42 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

(₹ in Lakhs)

Sr No	Particulars	As at 31-Mar-20	As at 31-Mar-19
(A)	Liabilities		
	Debt securities - Commercial Papers	99,187.49	1,36,290.68
	Borrowings (Other than Debt Securities)	11.47	-
	Gross Debt	**99,198.96**	**1,36,290.68**
	Less: Cash and cash Equivalents	22,744.20	2,013.92
	Less - Other Bank Deposits	65,530.94	13,498.75
	Adjusted Net Debt	**10,923.82**	**1,20,778.01**
	Total Equity	**4,55,401.61**	**3,99,869.59**
	Adjusted Net debt to equity ratio	0.02	0.30

43 Segment reporting

(i) The Company is organised into the following segments which has been determined based on the information reviewed by the Company's Chief Operating Decision Maker (CODM). The accounting policies consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

"Broking" – comprising of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and services rendered in connection with primary market subscription/ mobilisation and distribution of life insurance product. It also includes interest on fixed deposit and interest on delayed payments, incidental and consequential to secondary market related business received from clients.

"Trading and Principal Investments" - comprising of proprietary trading in securities, interest on fixed deposits with banks and Income from investments.

Unallocated expenses comprise of general administrative expenses and taxation provided at an enterprise level.

(ii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Segment assets and segment liabilities represent assets and liabilities in respective segments.

(₹ in Lakhs)

Sr. No.	Particulars	Broking	Trading and Principal Investments	Unallocated	Total
1)	Segment Revenue				
	Income from external customers	1,57,575.13	27,461.01	138.19	1,85,174.33
	Previous year	(1,52,576.62)	(19,757.16)	(223.60)	(1,72,557.38)
2)	Profit Before Tax	50,658.71	22,688.39	(716.05)	72,631.05
	Previous year	(45,390.21)	(18,219.01)	367.27	(63,241.95)
	Segment result before income tax include				
	Interest revenue	43,355.80	11,591.33	-	54,947.13
	Previous year	(45,280.75)	(8,713.80)	-	(53,994.55)
	Interest Exp	13,334.63	104.78	-	13,439.41

Schedules
forming part of Balance Sheet and Profit and Loss Account

(₹ in Lakhs)

Sr. No.	Particulars	Broking	Trading and Principal Investments	Unallocated	Total
	Previous year	(12,539.63)	(80.39)	-	(12,620.02)
	Depreciation and amortization	3,831.59	90.65	-	3,922.24
	Previous year	(2,174.77)	(91.01)	-	(2,265.78)
3)	Tax Expenses	-	-	19,122.71	19,122.71
	Previous year	-	-	(22,482.38)	(22,482.38)
4)	Profit for the year	-	-	-	53,508.34
	Previous year	-	-	-	(40,759.57)
5)	Capital Employed				
i.	Segment assets	5,69,333.61	4,04,733.47	3,432.01	9,77,499.09
	Previous year	(4,89,748.70)	(3,52,731.45)	(5,371.16)	(8,47,851.31)
ii.	Segment liabilities	4,80,003.07	38,020.22	4,074.19	5,22,097.48
	Previous year	(4,04,783.94)	(39,568.22)	(3,629.56)	(4,47,981.72)

(iii) Segment assets comprise mainly of Property, Plant and Equipment, investments, trade and other receivables, cash and bank balances, accrued income receivable and advances. Unallocated assets represent mainly deferred tax asset, loans and advances. Segment liabilities include loans, trade and other payables and sundry creditors. Unallocated liabilities mainly include deferred tax, employee benefits, outstanding expenses and statutory liabilities.

(iv) The company does not have a secondary segment. Accordingly, disclosures required under Ind AS 108 are not applicable.

44 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
Revenue from contracts with customers	1,11,913.98	1,06,769.25
Interest income	54,947.13	53,994.55
Dividend income	779.96	595.06
Net gain on fair value changes	14,084.70	9,443.30
Other income	3,448.56	1,755.22
Total Revenue	**1,85,174.33**	**1,72,557.38**
Impairment loss on receivables and contract assets	2,811.16	2,356.43

Schedules
forming part of Balance Sheet and Profit and Loss Account

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition:

(₹ in Lakhs)

Particulars	Broking		Unallocated		Total	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
Primary Geographical Market						
Within India	1,09,275.72	1,04,173.80	138.19	223.60	1,09,413.91	1,04,397.40
Outside India	2,500.07	2,377.29	-	-	2,500.07	2,377.29
Total	**1,11,775.79**	**1,06,551.09**	**138.19**	**223.60**	**1,11,913.98**	**1,06,774.69**
Major service lines						
Brokerage and Commission	91,484.88	86,807.36	-	-	91,484.88	86,807.36
Fees	20,290.91	19,743.73	138.19	223.60	20,429.10	19,967.33
Total	**1,11,775.79**	**1,06,551.09**	**138.19**	**223.60**	**1,11,913.98**	**1,06,774.69**
Timing of revenue recognition						
At a point in time	91,484.88	86,807.36	-	-	91,484.88	86,807.36
Over a period of time	20,290.91	19,743.73	138.19	223.60	20,429.10	19,967.33
Total	**1,11,775.79**	**1,06,551.09**	**138.19**	**223.60**	**1,11,913.98**	**1,06,774.69**

The Company derives its revenue from the transfer of services over time from its major service line. This is consistent with revenue that is disclosed for each reportable segment under Ind AS 108

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	For the year ended	
	31-Mar-20	31-Mar-19
Receivables	1,95,808.98	1,69,298.65

45 DETAILS OF CSR EXPENDITURE

Details of CSR expenditure

a) Gross amount required to be spent by the Company during the year for CSR is Rs. 1,263.42 Lakhs (Previous year Rs. 1,103.36 Lakhs)

(₹ in lakhs)

Carrying amount	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year ending on 31st March, 2020:	-	-	-
i) Construction/acquisition of any asset	631.46	-	631.46
ii) On purposes other than (i) above			
(c) Amount spent during the year ending on 31st March, 2019:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	422.00	-	422.00

Schedules

forming part of Balance Sheet and Profit and Loss Account

46 Maturity analysis of assets and liabilities

(₹ in lakhs)

Sr No	Particulars	As at 31st March, 2020			As at 31st March, 2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
(1)	**Financial assets**						
(a)	Cash and cash equivalents	22,744.20	-	22,744.20	2,013.92	-	2,013.92
(b)	Bank Balance other than (a) above	494,793.36	32,473.59	527,266.95	343,744.36	47.44	343,791.80
(c)	Derivative financial instruments	157.07	-	157.07	224.39	-	224.39
(d)	Receivables	195,808.98	-	195,808.98	169,298.65	-	169,298.65
(e)	Loans	45,571.10	23.41	45,594.51	58,114.55	19.01	58,133.56
(f)	Investments	43,695.00	119,185.91	162,880.91	136,447.69	121,997.52	258,445.21
(g)	Other Financial assets	-	4,626.57	4,626.57	-	1,237.73	1,237.73
	Total Financial assets	**802,769.71**	**156,309.48**	**959,079.19**	**709,843.56**	**123,301.70**	**833,145.26**
(2)	**Non-financial assets**	-					
(a)	Current Tax assets (Net)	-	1,358.89	1,358.89	-	1,369.01	1,369.01
(b)	Deferred Tax assets (Net)	-	360.78	360.78	-	612.82	612.82
(c)	Investment Property	-	2,142.58	2,142.58	-	2,187.87	2,187.87
(d)	Property, Plant and Equipment	-	11,015.39	11,015.39	-	5,649.83	5,649.83
(e)	Other intangible assets	-	374.65	374.65	-	480.26	480.26
(f)	Other Non-Financial assets	2453.34	714.27	3,167.61	3,735.21	671.05	4,406.26
	Total Non-financial liabilities	**2,453.34**	**15,966.56**	**18,419.90**	**3,735.21**	**10,970.84**	**14,706.05**
	Total Assets	**805,223.05**	**172,276.04**	**977,499.09**	**713,578.77**	**134,272.54**	**847,851.31**
(3)	**LIABILITIES AND EQUITY**						
	LIABILITIES						
(1)	**Financial liabilities**						
(a)	Derivative financial instruments	44.80	-	44.80	352.27	-	352.27
(b)	Payables	375,017.08	-	375,017.08	296,472.46	-	296,472.46
(c)	Debt securities	99,187.49	-	99,187.49	136,290.68	-	136,290.68
(d)	Borrowings (Other than Debt Securities)	11.47	-	11.47	-	-	-
(f)	Other Financial liabilities	31,119.22	7,006.46	38,125.68	4,777.89	2,659.58	7,437.47
	Total Financial liabilities	**505,380.06**	**7,006.46**	**512,386.52**	**437,893.30**	**2,659.58**	**440,552.88**
(2)	**Non-Financial liabilities**						
(a)	Current tax liabilities (Net)	2,985.58	-	2,985.58	1,584.17	-	1,584.17
(b)	Provisions	2,068.76	1,599.99	3,668.75	1,984.66	1,529.21	3,513.87
(c)	Deferred tax liabilities (Net)			-	-	-	-
(d)	Other non-financial liabilities	3,056.63	-	3,056.63	2,330.80	-	2,330.80
	Total Non-financial liabilities	**8,110.97**	**1,599.99**	**9,710.96**	**5,899.63**	**1,529.21**	**7,428.84**
	Total Liabilities (A)	**513,491.03**	**8,606.45**	**522,097.48**	**443,792.93**	**4,188.79**	**447,981.72**

Schedules
forming part of Balance Sheet and Profit and Loss Account

(3)	**EQUITY**						
(a)	Equity Share Capital	-	160.00	160.00	-	160.00	160.00
(b)	Other equity	-	455,241.61	455,241.61	-	399,709.59	399,709.59
	Total Equity (B)	**-**	**455,401.61**	**455,401.61**	**-**	**399,869.59**	**399,869.59**
	Total Liabilities and equity (A+B)	**513,491.03**	**464,008.06**	**977,499.09**	**443,792.93**	**404,058.38**	**847,851.31**

47 DISCLOSURE U/S. 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at 31-Mar-20	As at 31-Mar-19
The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-
Principal	-	-
Interest	-	-
The amounts of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

48 Figures for the previous year have been regrouped wherever necessary to conform to current year's classifications.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place : Mumbai
Date : 29th June, 2020

For and on behalf of the Board of Directors
Kotak Securities Limited

Narayan.S.A
Chairman
(DIN: 00007404)

Jaideep Hansraj
Managing Director
(DIN: 02234625)

Shripal Shah
President

Deepak Shenoy
Company Secretary
Place : Mumbai
Date : 29th June, 2020

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